Presented to the governor May 21, 2005
Signed by the governor May 25, 2005, 12:40 p.m.

CHAPTER 97—S.F.No. 1368

An act relating to energy; providing for expedited cost recovery for certain transmission investments; authorizing and regulating transmission companies; permitting the transfer of transmission assets and operation to transmission companies; providing for expedited regulatory approval of transmission projects related to renewable generation; providing new criteria to analyze the need for transmission projects; establishing the framework for a wind energy tariff related to community development; requiring a wind integration study; transferring generation plant siting and transmission line routing authority from the Minnesota Environmental Quality Board to the Public Utilities Commission; providing for technical corrections to the energy assistance program; providing for a sustainably managed woody biomass generation project to satisfy the biomass mandate; providing for an electronic mail filing system at the Public Utilities Commission and Department of Commerce; making changes to the conservation investment program recommended by the legislative auditor; authorizing the creation of energy quality zones; regulating eligibility of biogas projects for the renewable energy production incentive; providing for the recovery of certain infrastructure investments by gas utilities; requiring a study of compensation of landowners for transmission easements; promoting the use of soy-diesel; providing for the adjustment of power purchase agreements to account for production tax payments; promoting the use of hydrogen as an energy source; requiring study of using biodiesel fuel to heat homes; expanding authority of city of Alexandria to enter into telecommunications-related joint ventures; appropriating money; amending Minnesota Statutes 2004, sections 13.681, by adding a subdivision; 116C.52, subdivisions 2, 4; 116C.53, subdivision 2; 116C.57, subdivisions 1, 2c, by adding a subdivision; 116C.575, subdivision 5; 116C.577; 116C.58; 116C.61, subdivision 3; 116C.69, subdivisions 2, 2a; 119A.15, subdivision 5a; 216B.02, by adding a subdivision; 216B.16, subdivision 6d, by adding subdivisions; 216B.1645, subdivision 1; 216B.2421, subdivision 2; 216B.2424, subdivisions 1, 2, 5a, 6, 8, by adding a subdivision; 216B.2425, subdivisions 2, 7; 216B.243, subdivisions 3, 4, 5, 6, 7, 8; 216B.50, subdivision 1; 216B.62, subdivision 5, by adding a subdivision; 216B.79; 216C.052; 216C.09; 216C.41, subdivision 1; 462A.05, subdivisions 21, 23; Laws 2002, chapter 329, section 5; proposing coding for new law in Minnesota Statutes, chapters 216B; 216C.

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

ARTICLE 1

TRANSMISSION COMPANIES

Section 1. Minnesota Statutes 2004, section 216B.02, is amended by adding a subdivision to read:

Subd. 10. **TRANSMISSION COMPANY.** "Transmission company" means persons, corporations, or other legal entities and their lessees, trustees, and receivers, engaged in the business of owning, operating, maintaining, or controlling in this state equipment or facilities for furnishing electric transmission service in Minnesota, but does not include public utilities, municipal electric utilities, municipal power agencies, cooperative electric associations, or generation and transmission cooperative power associations.

Sec. 2. Minnesota Statutes 2004, section 216B.16, is amended by adding a subdivision to read:

Subd. 7b. **TRANSMISSION COST ADJUSTMENT.** (a) Notwithstanding any other provision of this chapter, the commission may approve a tariff mechanism for the automatic annual adjustment of charges for the Minnesota jurisdictional costs of new transmission facilities that have been separately filed and reviewed and approved by the commission under section 216B.243 or are certified as a priority project or deemed to be a priority transmission project under section 216B.2425.

(b) Upon filing by a public utility or utilities providing transmission service, the commission may approve, reject or modify, after notice and comment, a tariff that:

(1) allows the utility to recover on a timely basis the costs net of revenues of facilities approved under section 216B.243 or certified or deemed to be certified under section 216B.2425;

(2) allows a return on investment at the level approved in the utility's last general rate case, unless a different return is found to be consistent with the public interest;

(3) provides a current return on construction work in progress, provided that recovery from Minnesota retail customers for the allowance for funds used during construction is not sought through any other mechanism;

(4) allows for recovery of other expenses if shown to promote a least-cost project option or is otherwise in the public interest;

(5) allocates project costs appropriately between wholesale and retail customers;

(6) provides a mechanism for recovery above cost, if necessary to improve the overall economics of the project or projects or is otherwise in the public interest; and

(7) terminates recovery once costs have been fully recovered or have otherwise been reflected in the utility's general rates.

(c) A public utility may file annual rate adjustments to be applied to customer bills paid under the tariff approved in paragraph (b). In its filing, the public utility shall provide:

(1) a description of and context for the facilities included for recovery;

(2) a schedule for implementation of applicable projects;

(3) the utility's costs for these projects;

(4) a description of the utility's efforts to ensure the lowest costs to ratepayers for the project; and

(5) calculations to establish that the rate adjustment is consistent with the terms of the tariff established in paragraph (b).

(d) Upon receiving a filing for a rate adjustment pursuant to the tariff established in paragraph (b), the commission shall approve the annual rate adjustments provided that, after notice and comment, the costs included for recovery through the tariff were or are expected to be prudently incurred and achieve transmission system improvements at the lowest feasible and prudent cost to ratepayers.

Sec. 3. Minnesota Statutes 2004, section 216B.16, is amended by adding a subdivision to read:

Subd. 7c. **TRANSMISSION ASSETS TRANSFER.** (a) Public utility owners of transmission facilities may, subject to Public Utilities Commission approval, transfer operational control or ownership of those transmission assets to a transmission company subject to Federal Energy Regulatory Commission jurisdiction. For transmission asset transfers by a public utility, the Public Utilities Commission must review the request to transfer either in the context of a general rate case under this section or by initiating other proceedings it determines provide adequate review of the transmission asset transfer. The Public Utilities Commission may limit, in whole or in part, the transfer of transmission assets or the timing of those transfers by a public utility if it finds the limitation in the public interest. The commission may only approve a transfer if it finds that the transfer is consistent with the public interest.

In assessing the public interest, the commission shall evaluate, among other things, whether the transfer:

(1) facilitates the development of transmission infrastructure necessary to ensure reliability, encourages the development of renewable resources, and accommodates energy transfers within and between states;

(2) protects Minnesota ratepayers against the subsidization of wholesale transactions through retail rates;

(3) ensures, in the case of operational control of transmission assets, that the state retains jurisdiction over the transferring utility for all aspects of service under chapter 216B;

(4) impacts Minnesota retail rates; and

(5) protects Minnesota ratepayers from paying capital costs for transmission assets that have already been recovered.

(b) A transfer of operational control or ownership of transmission assets by a public utility under this subdivision is subject to section 216B.50. The relationship between a public utility transferring operational control of transmission assets to another entity under this subdivision is subject to the provisions of section 216B.48. If a public utility transfers ownership of its transmission assets to a transmission provider

subject to the jurisdiction of the Federal Energy Regulatory Commission, the Public Utilities Commission may permit the utility to file a rate schedule providing for the automatic adjustment of charges to recover the cost of transmission services purchased under tariff rates approved by the Federal Energy Regulatory Commission.

(c) A municipal utility, a municipal power agency, or a joint venture pursuant to section 452.25 may transfer operational control or ownership of transmission assets to a transmission company, or make investments in a transmission company, if the governing body of the municipal utility, municipal power agency, or joint venture finds that the transfer or investment is consistent with the public interest and will facilitate the development of infrastructure necessary to ensure reliability.

EFFECTIVE DATE. This section is effective August 1, 2005, and applies to petitions for approval of transfer of transmission assets filed on or after that date and does not apply to proceedings pending before the Public Utilities Commission before that date.

Sec. 4. Minnesota Statutes 2004, section 216B.2421, subdivision 2, is amended to read:

Subd. 2. **LARGE ENERGY FACILITY.** "Large energy facility" means:

(1) any electric power generating plant or combination of plants at a single site with a combined capacity of 50,000 kilowatts or more and transmission lines directly associated with the plant that are necessary to interconnect the plant to the transmission system;

(2) any high-voltage transmission line with a capacity of 200 kilovolts or more and greater than 1,500 feet in length;

(3) any high-voltage transmission line with a capacity of 100 kilovolts or more with more than ten miles of its length in Minnesota or that crosses a state line;

(4) any pipeline greater than six inches in diameter and having more than 50 miles of its length in Minnesota used for the transportation of coal, crude petroleum or petroleum fuels or oil, or their derivatives;

(5) any pipeline for transporting natural or synthetic gas at pressures in excess of 200 pounds per square inch with more than 50 miles of its length in Minnesota;

(6) any facility designed for or capable of storing on a single site more than 100,000 gallons of liquefied natural gas or synthetic gas;

(7) any underground gas storage facility requiring a permit pursuant to section 103I.681;

(8) any nuclear fuel processing or nuclear waste storage or disposal facility; and

(9) any facility intended to convert any material into any other combustible fuel and having the capacity to process in excess of 75 tons of the material per hour.

Sec. 5. Minnesota Statutes 2004, section 216B.243, subdivision 3, is amended to read:

Subd. 3. **SHOWING REQUIRED FOR CONSTRUCTION.** No proposed large energy facility shall be certified for construction unless the applicant can show that demand for electricity cannot be met more cost effectively through energy conservation and load-management measures and unless the applicant has otherwise justified its need. In assessing need, the commission shall evaluate:

(1) the accuracy of the long-range energy demand forecasts on which the necessity for the facility is based;

(2) the effect of existing or possible energy conservation programs under sections 216C.05 to 216C.30 and this section or other federal or state legislation on long-term energy demand;

(3) the relationship of the proposed facility to overall state energy needs, as described in the most recent state energy policy and conservation report prepared under section 216C.18, or, in the case of a high-voltage transmission line, the relationship of the proposed line to regional energy needs, as presented in the transmission plan submitted under section 216B.2425;

(4) promotional activities that may have given rise to the demand for this facility;

(5) benefits of this facility, including its uses to protect or enhance environmental quality, and to increase reliability of energy supply in Minnesota and the region;

(6) possible alternatives for satisfying the energy demand or transmission needs including but not limited to potential for increased efficiency and upgrading of existing energy generation and transmission facilities, load-management programs, and distributed generation;

(7) the policies, rules, and regulations of other state and federal agencies and local governments; ~~and~~

(8) any feasible combination of energy conservation improvements, required under section 216B.241, that can (i) replace part or all of the energy to be provided by the proposed facility, and (ii) compete with it economically;

(9) with respect to a high-voltage transmission line, the benefits of enhanced regional reliability, access, or deliverability to the extent these factors improve the robustness of the transmission system or lower costs for electric consumers in Minnesota;

(10) whether the applicant or applicants are in compliance with applicable provisions of sections 216B.1691 and 216B.2425, subdivision 7, and have filed or will file by a date certain an application for certificate of need under this section or for certification as a priority electric transmission project under section 216B.2425 for any transmission facilities or upgrades identified under section 216B.2425, subdivision 7;

(11) whether the applicant has made the demonstrations required under subdivision 3a; and

(12) if the applicant is proposing a nonrenewable generating plant, the applicant's assessment of the risk of environmental costs and regulation on that proposed facility

over the expected useful life of the plant, including a proposed means of allocating costs associated with that risk.

Sec. 6. Minnesota Statutes 2004, section 216B.243, subdivision 6, is amended to read:

Subd. 6. **APPLICATION FEES; RULES.** Any application for a certificate of need shall be accompanied by the application fee required pursuant to this subdivision. The application fee is to be applied toward the total costs reasonably necessary to complete the evaluation of need for the proposed facility. The maximum application fee shall be $50,000, except for an application for an electric power generating plant as defined in section 216B.2421, subdivision 2, clause (1), or a high-voltage transmission line as defined in section 216B.2421, subdivision 2, clause (2), for which the maximum application fee shall be $100,000. ~~The commission may require an additional fee to recover the costs of any rehearing. The fee for a rehearing shall not be greater than the actual cost of the rehearing or the maximum fee specified above, whichever is less.~~ Costs exceeding the application fee and reasonably necessary to complete the evaluation of need for the proposed facility shall be recovered from the applicant. If the applicant is a public utility, a cooperative electric association, a generation and transmission cooperative electric association, a municipal power agency, a municipal electric utility, or a transmission company, the recovery shall be done pursuant to section 216B.62. The commission shall establish by rule pursuant to chapter 14 and sections 216C.05 to 216C.30 and this section, a schedule of fees based on the output or capacity of the facility and the difficulty of assessment of need. Money collected in this manner shall be credited to the general fund of the state treasury.

Sec. 7. Minnesota Statutes 2004, section 216B.2425, subdivision 2, is amended to read:

Subd. 2. **LIST DEVELOPMENT; TRANSMISSION PROJECTS REPORT.** (a) By November 1 of each odd-numbered year, ~~each~~ a transmission projects report must be submitted to the commission by each utility, organization, or company that:

(1) is a public utility, a municipal utility, ~~and~~ a cooperative electric association, ~~or~~ the generation and transmission organization that serves each utility or association, ~~that~~ or a transmission company; and

(2) owns or operates electric transmission lines in Minnesota ~~shall~~.

(b) The report may be submitted jointly or individually ~~submit a transmission projects report~~ to the commission.

(c) The report must:

(1) list specific present and reasonably foreseeable future inadequacies in the transmission system in Minnesota;

(2) identify alternative means of addressing each inadequacy listed;

(3) identify general economic, environmental, and social issues associated with each alternative; and

(4) provide a summary of public input ~~the utilities and associations have gathered~~ related to the list of inadequacies and the role of local government officials and other interested persons in assisting to develop the list and analyze alternatives.

~~(b)~~ (d) To meet the requirements of this subdivision, ~~entities~~ reporting parties may rely on available information and analysis developed by a regional transmission organization or any subgroup of a regional transmission organization and may develop and include additional information as necessary.

Sec. 8. Minnesota Statutes 2004, section 216B.50, subdivision 1, is amended to read:

Subdivision 1. **COMMISSION APPROVAL REQUIRED.** No public utility shall sell, acquire, lease, or rent any plant as an operating unit or system in this state for a total consideration in excess of $100,000, or merge or consolidate with another public utility or transmission company operating in this state, without first being authorized so to do by the commission. Upon the filing of an application for the approval and consent of the commission ~~thereto~~, the commission shall investigate, with or without public hearing~~, and in case of~~. The commission shall hold a public hearing, upon such notice as the commission may require~~, and if it shall find~~. If the commission finds that the proposed action is consistent with the public interest, it shall give its consent and approval by order in writing. In reaching its determination, the commission shall take into consideration the reasonable value of the property, plant, or securities to be acquired or disposed of, or merged and consolidated. ~~The provisions of~~

This section ~~shall~~ does not ~~be construed as applicable~~ apply to the purchase of ~~units of~~ property ~~for replacement or to the addition~~ to replace or add to the plant of the public utility by construction.

Sec. 9. Minnesota Statutes 2004, section 216B.62, subdivision 5, is amended to read:

Subd. 5. **ASSESSING COOPERATIVES AND MUNICIPALS.** The commission and department may charge cooperative electric associations, generation and transmission cooperative electric associations, municipal power agencies, and municipal electric utilities their proportionate share of the expenses incurred in the review and disposition of resource plans, adjudication of service area disputes, proceedings under section 216B.1691, 216B.2425, or 216B.243, and the costs incurred in the adjudication of complaints over service standards, practices, and rates. Cooperative electric associations electing to become subject to rate regulation by the commission pursuant to section 216B.026, subdivision 4, are also subject to this section. Neither a cooperative electric association nor a municipal electric utility is liable for costs and expenses in a calendar year in excess of the limitation on costs that may be assessed against public utilities under subdivision 2. A cooperative electric association, generation and transmission cooperative electric association, municipal power agency, or municipal electric utility may object to and appeal bills of the commission and department as provided in subdivision 4.

The department shall assess cooperatives and municipalities for the costs of alternative energy engineering activities under section 216C.261. Each cooperative and

municipality shall be assessed in proportion that its gross operating revenues for the sale of gas and electric service within the state for the last calendar year bears to the total of those revenues for all public utilities, cooperatives, and municipalities.

Sec. 10. Minnesota Statutes 2004, section 216B.62, is amended by adding a subdivision to read:

Subd. 5a. **ASSESSING TRANSMISSION COMPANIES.** The commission and department may charge transmission companies their proportionate share of the expenses incurred in the review and disposition of proceedings under sections 216B.2425, 216B.243, 216B.48, 216B.50, and 216B.79. A transmission company is not liable for costs and expenses in a calendar year in excess of the limitation on costs that may be assessed against public utilities under subdivision 2. A transmission company may object to and appeal bills of the commission and department as provided in subdivision 4.

Sec. 11. Minnesota Statutes 2004, section 216B.79, is amended to read:

216B.79 **PREVENTATIVE MAINTENANCE.**

The commission may order public utilities to make adequate infrastructure investments and undertake sufficient preventative maintenance with regard to generation, transmission, and distribution facilities. The commission's authority under this section also applies to any transmission company that owns or operates electric transmission lines in Minnesota.

Sec. 12. **STAKEHOLDER PROCESS AND REPORT.**

Subdivision 1. **MEMBERSHIP.** By June 15, 2005, the Legislative Electric Energy Task Force shall convene a stakeholder group consisting of one representative from each of the following groups: transmission-owning investor-owned utilities, electric cooperatives, municipal power agencies, energy consumer advocates, business energy consumer advocates, residential energy consumer advocates, environmental organizations, the Minnesota Department of Commerce, and the Minnesota Public Utilities Commission. The task force, in its sole discretion, may add other representatives to the stakeholder group.

Subd. 2. **CHARGE.** (a) The stakeholder group shall explore whether increased efficiencies and effectiveness can be obtained through modifying current state statutes and administrative processes to certify and route high-voltage transmission lines, including modifications to section 216B.243.

(b) In developing its recommendations, the stakeholder group shall consider:

(1) whether the certification process established under section 216B.2425, subdivision 3, can be modified to encourage utilities to apply for certification under that section;

(2) whether alternative certification processes are feasible for different types of transmission facilities; and

(3) whether additional cooperation between state agencies is needed to enhance the efficiency of the certification and routing processes, and whether modifications to those processes are appropriate.

Subd. 3. **REPORT.** By January 15, 2006, the task force shall submit a report to the legislature summarizing the stakeholder group findings and any recommended changes to the certification and routing processes for high-voltage transmission lines.

ARTICLE 2

C-BED AND RENEWABLE TRANSMISSION

Section 1. **[216B.1612] COMMUNITY-BASED ENERGY DEVELOPMENT; TARIFF.**

Subdivision 1. **TARIFF ESTABLISHMENT.** A tariff shall be established to optimize local, regional, and state benefits from wind energy development, and to facilitate widespread development of community-based wind energy projects throughout Minnesota.

Subd. 2. **DEFINITIONS.** (a) The terms used in this section have the meanings given them in this subdivision.

(b) "C-BED tariff" or "tariff" means a community-based energy development tariff.

(c) "Qualifying owner" means:

(1) a Minnesota resident;

(2) a limited liability corporation that is organized under the laws of this state and that is made up of members who are Minnesota residents;

(3) a Minnesota nonprofit organization organized under chapter 317A;

(4) a Minnesota cooperative association organized under chapter 308A or 308B, other than a rural electric cooperative association or a generation and transmission cooperative;

(5) a Minnesota political subdivision or local government other than a municipal electric utility or municipal power agency, including, but not limited to, a county, statutory or home rule charter city, town, school district, or public or private higher education institution or any other local or regional governmental organization such as a board, commission, or association; or

(6) a tribal council.

(d) "Net present value rate" means a rate equal to the net present value of the nominal payments to a project divided by the total expected energy production of the

project over the life of its power purchase agreement.

(e) "Standard reliability criteria" means:

(1) can be safely integrated into and operated within the utility's grid without causing any adverse or unsafe consequences; and

(2) is consistent with the utility's resource needs as identified in its most recent resource plan submitted under section 216B.2422.

(f) "Community-based energy project" or "C-BED project" means a new wind energy project that:

(1) has no single qualifying owner owning more than 15 percent of a C-BED project that consists of more than two turbines; or

(2) for C-BED projects of one or two turbines, is owned entirely by one or more qualifying owners, with at least 51 percent of the total financial benefits over the life of the project flowing to qualifying owners; and

(3) has a resolution of support adopted by the county board of each county in which the project is to be located, or in the case of a project located within the boundaries of a reservation, the tribal council for that reservation.

Subd. 3. **TARIFF RATE.** (a) The tariff described in subdivision 4 must have a rate schedule that allows for a rate up to a 2.7 cents per kilowatt hour net present value rate over the 20-year life of the power purchase agreement. The tariff must provide for a rate that is higher in the first ten years of the power purchase agreement than in the last ten years. The discount rate required to calculate the net present value must be the utility's normal discount rate used for its other business purposes.

(b) The commission shall consider mechanisms to encourage the aggregation of C-BED projects.

(c) The commission shall require that qualifying owners provide sufficient security to secure performance under the power purchase agreement, and shall prohibit the transfer of the C-BED project to a nonqualifying owner during the initial 20 years of the contract.

Subd. 4. **UTILITIES TO OFFER TARIFF.** By December 1, 2005, each public utility providing electric service at retail shall file for commission approval a community-based energy development tariff consistent with subdivision 3. Within 90 days of the first commission approval order under this subdivision, each municipal power agency and generation and transmission cooperative electric association shall adopt a community-based energy development tariff as consistent as possible with subdivision 3.

Subd. 5. **PRIORITY FOR C-BED PROJECTS.** (a) A utility subject to section 216B.1691 that needs to construct new generation, or purchase the output from new generation, as part of its plan to satisfy its good faith objective under that section should take reasonable steps to determine if one or more C-BED projects are available that meet the utility's cost and reliability requirements, applying standard reliability

criteria, to fulfill some or all of the identified need at minimal impact to customer rates.

Nothing in this section shall be construed to obligate a utility to enter into a power purchase agreement under a C-BED tariff developed under this section.

(b) Each utility shall include in its resource plan submitted under section 216B.2422 a description of its efforts to purchase energy from C-BED projects, including a list of the projects under contract and the amount of C-BED energy purchased.

(c) The commission shall consider the efforts and activities of a utility to purchase energy from C-BED projects when evaluating its good faith effort towards meeting the renewable energy objective under section 216B.1691.

Subd. 6. **PROPERTY OWNER PARTICIPATION.** To the extent feasible, a developer of a C-BED project must provide, in writing, an opportunity to invest in the C-BED project to each property owner on whose property a high voltage transmission line is constructed that will transmit the energy generated by the C-BED project to market. This subdivision applies if the property is located and the owner resides in the county where the C-BED project is located.

EFFECTIVE DATE. This subdivision is effective July 1, 2005, and applies to transmission line construction beginning on or after that date.

Subd. 7. **OTHER C-BED TARIFF ISSUES.** (a) A community-based project developer and a utility shall negotiate the rate and power purchase agreement terms consistent with the tariff established under subdivision 4.

(b) At the discretion of the developer, a community-based project developer and a utility may negotiate a power purchase agreement with terms different from the tariff established under subdivision 4.

(c) A qualifying owner, or any combination of qualifying owners, may develop a joint venture project with a nonqualifying wind energy project developer. However, the terms of the C-BED tariff may only apply to the portion of the energy production of the total project that is directly proportional to the equity share of the project owned by the qualifying owners.

(d) A project that is operating under a power purchase agreement under a C-BED tariff is not eligible for net energy billing under section 216B.164, subdivision 3, or for production incentives under section 216C.41.

(e) A public utility must receive commission approval of a power purchase agreement for a C-BED tariffed project. The commission shall provide the utility's ratepayers an opportunity to address the reasonableness of the proposed power purchase agreement. Unless a party objects to a contract within 30 days of submission of the contract to the commission the contract is deemed approved.

Sec. 2. Minnesota Statutes 2004, section 216B.1645, subdivision 1, is amended to read:

Subdivision 1. **COMMISSION AUTHORITY.** Upon the petition of a public utility, the Public Utilities Commission shall approve or disapprove power purchase contracts, investments, or expenditures entered into or made by the utility to satisfy the wind and biomass mandates contained in sections 216B.169, 216B.2423, and 216B.2424, and to satisfy the renewable energy objectives set forth in section 216B.1691, including reasonable investments and expenditures made to:

(1) transmit the electricity generated from sources developed under those sections that is ultimately used to provide service to the utility's retail customers, ~~or to~~ including studies necessary to identify new transmission facilities needed to transmit electricity to Minnesota retail customers from generating facilities constructed to satisfy the renewable energy objectives, provided that the costs of the studies have not been recovered previously under existing tariffs and the utility has filed an application for a certificate of need or for certification as a priority project under section 216B.2425 for the new transmission facilities identified in the studies; or

(2) develop renewable energy sources from the account required in section 116C.779.

Sec. 3. Minnesota Statutes 2004, section 216B.2425, subdivision 7, is amended to read:

Subd. 7. **TRANSMISSION NEEDED TO SUPPORT RENEWABLE RESOURCES.** (a) Each entity subject to this section shall determine necessary transmission upgrades to support development of renewable energy resources required to meet objectives under section 216B.1691 and shall include those upgrades in its report under subdivision 2.

(b) Transmission projects determined by the commission to be necessary to support a utility's plan under section 216B.1691 to meet its obligations under that section must be certified as a priority electric transmission project, satisfying the requirements of section 216B.243. In determining that a proposed transmission project is necessary to support a utility's plan under section 216B.1691, the commission must find that the applicant has met the following factors:

(1) that the transmission facility is necessary to allow the delivery of power from renewable sources of energy to retail customers in Minnesota;

(2) that the applicant has signed or will sign power purchase agreements, subject to commission approval, for resources to meet the renewable energy objective that are dependent upon or will use the capacity of the transmission facility to serve retail customers in Minnesota;

(3) that the installation and commercial operation date of the renewable resources to satisfy the renewable energy objective will match the planned in-service date of the transmission facility; and

(4) that the proposed transmission facility is consistent with a least cost solution to the utility's need for additional electricity.

Sec. 4. Minnesota Statutes 2004, section 216B.243, subdivision 8, is amended to read:

Subd. 8. **EXEMPTIONS.** This section does not apply to:

(1) cogeneration or small power production facilities as defined in the Federal Power Act, United States Code, title 16, section 796, paragraph (17), subparagraph (A), and paragraph (18), subparagraph (A), and having a combined capacity at a single site of less than 80,000 kilowatts ~~or to~~; plants or facilities for the production of ethanol or fuel alcohol ~~nor in~~; or any case where the commission ~~shall determine~~ has determined after being advised by the attorney general that its application has been preempted by federal law;

(2) a high-voltage transmission line proposed primarily to distribute electricity to serve the demand of a single customer at a single location, unless the applicant opts to request that the commission determine need under this section or section 216B.2425;

(3) the upgrade to a higher voltage of an existing transmission line that serves the demand of a single customer that primarily uses existing rights-of-way, unless the applicant opts to request that the commission determine need under this section or section 216B.2425;

(4) a high-voltage transmission line of one mile or less required to connect a new or upgraded substation to an existing, new, or upgraded high-voltage transmission line;

(5) conversion of the fuel source of an existing electric generating plant to using natural gas; ~~or~~

(6) the modification of an existing electric generating plant to increase efficiency, as long as the capacity of the plant is not increased more than ten percent or more than 100 megawatts, whichever is greater; or

(7) a large energy facility that (i) generates electricity from wind energy conversion systems, (ii) will serve retail customers in Minnesota, (iii) is specifically intended to be used to meet the renewable energy objective under section 216B.1691 or addresses a resource need identified in a current commission-approved or commission-reviewed resource plan under section 216B.2422; and (iv) derives at least 10 percent of the total nameplate capacity of the proposed project from one or more C-BED projects, as defined under section 216B.1612, subdivision 2, paragraph (f).

Sec. 5. **[216C.053] RENEWABLE ENERGY DEVELOPMENT.**

The commissioner of commerce must engage in activities to encourage deployment of cost effective renewable energy developments within the state. The commissioner shall compile and maintain information concerning existing and potential renewable energy developments and resources in the state. The commissioner shall provide, as appropriate, this information in proceedings for the determination of need for large energy facilities and for the review of a utility's integrated resource plan. To the extent practicable, and in addition to any other obligation of an electric utility to furnish information, an electric utility seeking to add generation to its supply portfolio

to serve Minnesota consumers shall provide the commissioner with notice of its intention.

Sec. 6. **WIND INTEGRATION STUDY.**

The commission shall order all electric utilities, as defined in Minnesota Statutes, section 216B.1691, subdivision 1, paragraph (b), to participate in a statewide wind integration study. Utilities subject to Minnesota Statutes, section 216B.1691, shall jointly contract with an independent firm selected by the reliability administrator to conduct an engineering study of the impacts on reliability and costs associated with increasing wind capacity to 20 percent of Minnesota retail electric energy sales by the year 2020, and to identify and develop options for utilities to use to manage the intermittent nature of wind resources. The contracting utilities shall cooperate with the firm conducting the study by providing data requested. The reliability administrator shall manage the study process and shall appoint a group of stakeholders with experience in engineering and expertise in power systems or wind energy to review the study's proposed methods and assumptions and preliminary data. The study must be completed by November 30, 2006. Using the study results, the contracting utilities shall provide the commissioner of commerce with estimates of the impact on their electric rates of increasing wind capacity to 20 percent, assuming no reduction in reliability. Electric utilities shall incorporate the study's findings into their utility integrated resource plans prepared under Minnesota Statutes, section 216B.2422. The costs of the study are recoverable under Minnesota Statutes, section 216C.052, subdivision 2, paragraph (c), clause (2).

Sec. 7. **EXPIRATION.**

Section 3, paragraph (b), expires on January 1, 2010.

ARTICLE 3

ROUTING AND SITING AUTHORITY TRANSFER

Section 1. Minnesota Statutes 2004, section 116C.52, subdivision 2, is amended to read:

Subd. 2. **~~BOARD~~ COMMISSION.** ~~"Board"~~ ~~shall mean the Minnesota Environmental Quality Board~~ "Commission" means the Public Utilities Commission.

Sec. 2. Minnesota Statutes 2004, section 116C.52, subdivision 4, is amended to read:

Subd. 4. **HIGH VOLTAGE TRANSMISSION LINE.** "High voltage transmission line" means a conductor of electric energy and associated facilities designed for and capable of operation at a nominal voltage of 100 kilovolts or more and is greater than 1,500 feet in length.

Sec. 3. Minnesota Statutes 2004, section 116C.53, subdivision 2, is amended to read:

Subd. 2. **JURISDICTION.** The ~~board~~ commission is hereby given the authority to provide for site and route selection for large electric power facilities. The ~~board~~ commission shall issue permits for large electric power facilities in a timely fashion. ~~When the Public Utilities Commission has determined the~~ and in a manner consistent with the overall determination of need for the project under section 216B.243 or 216B.2425, . Questions of need, including size, type, and timing; alternative system configurations; and voltage ~~are not within the board's siting and routing authority and~~ must not be included in the scope of environmental review conducted under sections 116C.51 to 116C.69.

Sec. 4. Minnesota Statutes 2004, section 116C.57, subdivision 1, is amended to read:

Subdivision 1. **SITE PERMIT.** No person may construct a large electric generating plant without a site permit from the ~~board~~ commission. A large electric generating plant may be constructed only on a site approved by the ~~board~~ commission. The ~~board~~ commission must incorporate into one proceeding the route selection for a high voltage transmission line that is directly associated with and necessary to interconnect the large electric generating plant to the transmission system and whose need is certified ~~as part of the generating plant project by the Public Utilities Commission~~ under section 216B.243.

Sec. 5. Minnesota Statutes 2004, section 116C.57, subdivision 2c, is amended to read:

Subd. 2c. **ENVIRONMENTAL REVIEW.** The ~~board~~ commissioner of the Department of Commerce shall prepare for the commission an environmental impact statement on each proposed large electric generating plant or high voltage transmission line for which a complete application has been submitted. ~~For any project that has obtained a certificate of need from the Public Utilities Commission, the board~~ The commissioner shall not consider whether or not the project is needed. No other state environmental review documents shall be required. The ~~board~~ commissioner shall study and evaluate any site or route proposed by an applicant and any other site or route the ~~board~~ commission deems necessary that was proposed in a manner consistent with rules ~~adopted by the board~~ concerning the form, content, and timeliness of proposals for alternate sites or routes.

Sec. 6. Minnesota Statutes 2004, section 116C.57, is amended by adding a subdivision to read:

Subd. 9. **DEPARTMENT OF COMMERCE TO PROVIDE TECHNICAL EXPERTISE AND OTHER ASSISTANCE.** The commissioner of the Department of Commerce shall consult with other state agencies and provide technical expertise and other assistance to the commission or to individual members of the commission for activities and proceedings under this section, sections 116C.51 to 116C.697, and chapter 116I. This assistance shall include the sharing of power plant siting and routing

staff and other resources as necessary. The commissioner shall periodically report to the commission concerning the Department of Commerce's costs of providing assistance. The report shall conform to the schedule and include the required contents specified by the commission. The commission shall include the costs of the assistance in assessments for activities and proceedings under those sections and reimburse the special revenue fund for those costs. If either the commissioner or the commission deems it necessary, the department and the commission shall enter into an interagency agreement establishing terms and conditions for the provision of assistance and sharing of resources under this subdivision.

Sec. 7. Minnesota Statutes 2004, section 116C.575, subdivision 5, is amended to read:

Subd. 5. **ENVIRONMENTAL REVIEW.** For the projects identified in subdivision 2 and following these procedures, the ~~board~~ commissioner of the Department of Commerce shall prepare for the commission an environmental assessment. The environmental assessment shall contain information on the human and environmental impacts of the proposed project and other sites or routes identified by the ~~board~~ commission and shall address mitigating measures for all of the sites or routes considered. The environmental assessment shall be the only state environmental review document required to be prepared on the project.

Sec. 8. Minnesota Statutes 2004, section 116C.577, is amended to read:

116C.577 **EMERGENCY PERMIT.**

(a) Any utility whose electric power system requires the immediate construction of a large electric power generating plant or high voltage transmission line due to a major unforeseen event may apply to the ~~board~~ commission for an emergency permit ~~after providing~~. The application shall provide notice in writing ~~to the Public Utilities Commission~~ of the major unforeseen event and the need for immediate construction. The permit must be issued in a timely manner, no later than 195 days after the ~~board's~~ commission's acceptance of the application and upon a finding by the ~~board~~ commission that (1) a demonstrable emergency exists, (2) the emergency requires immediate construction, and (3) adherence to the procedures and time schedules specified in section 116C.57 would jeopardize the utility's electric power system or would jeopardize the utility's ability to meet the electric needs of its customers in an orderly and timely manner.

(b) A public hearing to determine if an emergency exists must be held within 90 days of the application. The ~~board~~ commission, after notice and hearing, shall adopt rules specifying the criteria for emergency certification.

Sec. 9. Minnesota Statutes 2004, section 116C.58, is amended to read:

116C.58 **ANNUAL HEARING.**

The ~~board~~ commission shall hold an annual public hearing at a time and place prescribed by rule in order to afford interested persons an opportunity to be heard regarding any matters relating to the siting of large electric generating power plants and

routing of high voltage transmission lines. At the meeting, the ~~board~~ commission shall advise the public of the permits issued by the ~~board~~ commission in the past year. The ~~board~~ commission shall provide at least ten days but no more than 45 days' notice of the annual meeting by mailing notice to those persons who have requested notice and by publication in the EQB Monitor and the commission's weekly calendar.

Sec. 10. Minnesota Statutes 2004, section 116C.61, subdivision 3, is amended to read:

Subd. 3. **STATE AGENCY PARTICIPATION.** (a) State agencies authorized to issue permits required for construction or operation of large electric power generating plants or high voltage transmission lines shall participate during routing and siting at public hearings and all other activities of the board on specific site or route designations and design considerations of the board, and shall clearly state whether the site or route being considered for designation or permit and other design matters under consideration for approval will be in compliance with state agency standards, rules, or policies.

(b) An applicant for a permit under this section or under chapter 116I shall notify the commissioner of agriculture if the proposed project will impact cultivated agricultural land, as that term is defined in section 116I.01, subdivision 4. The commissioner may participate and advise the commission as to whether to grant a permit for the project and the best options for mitigating adverse impacts to agricultural lands if the permit is granted. The Department of Agriculture shall be the lead agency on the development of any agricultural mitigation plan required for the project.

Sec. 11. Minnesota Statutes 2004, section 116C.69, subdivision 2, is amended to read:

Subd. 2. **SITE APPLICATION FEE.** Every applicant for a site permit shall pay to the ~~board~~ commissioner of commerce a fee ~~in an amount equal to $500 for each $1,000,000 of production plant investment in the proposed installation as defined in the Federal Power Commission Uniform System of Accounts. The board shall specify the time and manner of payment of the fee. If any single payment requested by the board is in excess of 25 percent of the total estimated fee, the board shall show that the excess is reasonably necessary. The applicant shall pay within 30 days of notification any additional fees reasonably necessary for completion of the site evaluation and designation process by the board. In no event shall the total fees required of the applicant under this subdivision exceed an amount equal to 0.001 of said production plant investment ($1,000 for each $1,000,000)~~ to cover the necessary and reasonable costs incurred by the commission in acting on the permit application and carrying out the requirements of sections 116C.51 to 116C.69. The commission may adopt rules providing for the payment of the fee. Section 16A.1283 does not apply to establishment of this fee. All money received pursuant to this subdivision shall be deposited in a special account. Money in the account is appropriated to the ~~board~~ commissioner of commerce to pay expenses incurred in processing applications for site permits in accordance with sections 116C.51 to 116C.69 and in the event the expenses are less

than the fee paid, to refund the excess to the applicant.

Sec. 12. Minnesota Statutes 2004, section 116C.69, subdivision 2a, is amended to read:

Subd. 2a. **ROUTE APPLICATION FEE.** Every applicant for a transmission line route permit shall pay to the ~~board~~ commissioner of commerce a ~~base fee of $35,000 plus a fee in an amount equal to $1,000 per mile length of the longest proposed route. The board shall specify the time and manner of payment of the fee. If any single payment requested by the board is in excess of 25 percent of the total estimated fee, the board shall show that the excess is reasonably necessary. In the event the actual cost of processing an application up to the board's final decision to designate a route exceeds the above fee schedule, the board may assess the applicant any additional fees necessary to cover the actual costs, not to exceed an amount equal to $500 per mile length of the longest proposed route~~ fee to cover the necessary and reasonable costs incurred by the commission in acting on the permit application and carrying out the requirements of sections 116C.51 to 116C.69. The commission may adopt rules providing for the payment of the fee. Section 16A.1283 does not apply to the establishment of this fee. All money received pursuant to this subdivision shall be deposited in a special account. Money in the account is appropriated to the ~~board~~ commissioner of commerce to pay expenses incurred in processing applications for route permits in accordance with sections 116C.51 to 116C.69 and in the event the expenses are less than the fee paid, to refund the excess to the applicant.

Sec. 13. Minnesota Statutes 2004, section 216B.243, subdivision 4, is amended to read:

Subd. 4. **APPLICATION FOR CERTIFICATE; HEARING.** Any person proposing to construct a large energy facility shall apply for a certificate of need ~~prior to applying~~ and for a site or route permit under sections 116C.51 to 116C.69 ~~or~~ prior to construction of the facility. The application shall be on forms and in a manner established by the commission. In reviewing each application the commission shall hold at least one public hearing pursuant to chapter 14. The public hearing shall be held at a location and hour reasonably calculated to be convenient for the public. An objective of the public hearing shall be to obtain public opinion on the necessity of granting a certificate of need and, if a joint hearing is held, a site or route permit. The commission shall designate a commission employee whose duty shall be to facilitate citizen participation in the hearing process. ~~If~~ Unless the commission ~~and the Environmental Quality Board determine~~ determines that a joint hearing on siting and need under this subdivision and section 116C.57, subdivision 2d, is not feasible~~,~~ or more efficient, ~~and may further~~ or otherwise not in the public interest, a joint hearing under those subdivisions ~~may~~ shall be held.

Sec. 14. Minnesota Statutes 2004, section 216B.243, subdivision 5, is amended to read:

Subd. 5. **APPROVAL, DENIAL, OR MODIFICATION.** Within ~~six~~ 12 months of the submission of an application, the commission shall approve or deny a certificate of need for the facility. Approval or denial of the certificate shall be accompanied by

a statement of the reasons for the decision. Issuance of the certificate may be made contingent upon modifications required by the commission. If the commission has not issued an order on the application within the 12 months provided, the commission may extend the time period upon receiving the consent of the parties or on its own motion, for good cause, by issuing an order explaining the good cause justification for extension.

Sec. 15. Minnesota Statutes 2004, section 216B.243, subdivision 7, is amended to read:

Subd. 7. **PARTICIPATION BY OTHER AGENCY OR POLITICAL SUBDIVISION.** (a) Other state agencies authorized to issue permits for siting, construction or operation of large energy facilities, and those state agencies authorized to participate in matters before the commission involving utility rates and adequacy of utility services, shall present their position regarding need and participate in the public hearing process prior to the issuance or denial of a certificate of need. Issuance or denial of certificates of need shall be the sole and exclusive prerogative of the commission and these determinations and certificates shall be binding upon other state departments and agencies, regional, county, and local governments and special purpose government districts except as provided in sections 116C.01 to 116C.08 and 116D.04, subdivision 9.

(b) An applicant for a certificate of need shall notify the commissioner of agriculture if the proposed project will impact cultivated agricultural land, as that term is defined in section 116I.01, subdivision 4. The commissioner may participate in any proceeding on the application and advise the commission as to whether to grant the certificate of need, and the best options for mitigating adverse impacts to agricultural lands if the certificate is granted. The Department of Agriculture shall be the lead agency on the development of any agricultural mitigation plan required for the project.

Sec. 16. Minnesota Statutes 2004, section 216C.052, is amended to read:

216C.052 **RELIABILITY ADMINISTRATOR.**

Subdivision 1. **RESPONSIBILITIES.** (a) There is established the position of reliability administrator in the ~~Department of Commerce~~ Public Utilities Commission. The administrator shall act as a source of independent expertise and a technical advisor to ~~the commissioner,~~ the commission, and the public, ~~and the Legislative Electric Energy Task Force~~ on issues related to the reliability of the electric system. In conducting its work, the administrator shall provide assistance to the commission in administering and implementing the commission's duties under sections 116C.51 to 116C.69; 116C.691 to 116C.697; 216B.2422; 216B.2425; 216B.243; chapter 116I; and rules associated with those sections. Subject to resource constraints, the reliability administrator may also:

(1) model and monitor the use and operation of the energy infrastructure in the state, including generation facilities, transmission lines, natural gas pipelines, and other energy infrastructure;

(2) develop and present to the commission and parties technical analyses of proposed infrastructure projects, and provide technical advice to the commission;

(3) present independent, factual, expert, and technical information on infrastructure proposals and reliability issues at public meetings hosted by the task force, the Environmental Quality Board, the department, or the commission.

(b) Upon request and subject to resource constraints, the administrator shall provide technical assistance regarding matters unrelated to applications for infrastructure improvements to the task force, the department, or the commission.

(c) The administrator may not advocate for any particular outcome in a commission proceeding, but may give technical advice to the commission as to the impact on the reliability of the energy system of a particular project or projects. ~~The administrator must not be considered a party or a participant in any proceeding before the commission.~~

Subd. 2. **ADMINISTRATIVE ISSUES.** (a) The ~~commissioner~~ commission may select the administrator who shall serve for a four-year term. The administrator may not have been a party or a participant in a commission energy proceeding for at least one year prior to selection by the ~~commissioner~~ commission. The ~~commissioner~~ commission shall oversee and direct the work of the administrator, annually review the expenses of the administrator, and annually approve the budget of the administrator. Pursuant to commission approval, the administrator may hire staff and may contract for technical expertise in performing duties when existing state resources are required for other state responsibilities or when special expertise is required. The salary of the administrator is governed by section 15A.0815, subdivision 2.

(b) Costs relating to a specific proceeding, analysis, or project are not general administrative costs. For purposes of this section, "energy utility" means public utilities, generation and transmission cooperative electric associations, and municipal power agencies providing natural gas or electric service in the state.

(c) The ~~Department of Commerce~~ commission shall pay:

(1) the general administrative costs of the administrator, not to exceed $1,000,000 in a fiscal year, and shall assess energy utilities for those administrative costs. These costs must be consistent with the budget approved by the ~~commissioner~~ commission under paragraph (a). The ~~department~~ commission shall apportion the costs among all energy utilities in proportion to their respective gross operating revenues from sales of gas or electric service within the state during the last calendar year, and shall then render a bill to each utility on a regular basis; and

(2) costs relating to a specific proceeding analysis or project and shall render a bill to the specific energy utility or utilities participating in the proceeding, analysis, or project directly, either at the conclusion of a particular proceeding, analysis, or project, or from time to time during the course of the proceeding, analysis, or project.

(d) For purposes of administrative efficiency, the ~~department~~ commission shall assess energy utilities and issue bills in accordance with the billing and assessment procedures provided in section 216B.62, to the extent that these procedures do not conflict with this subdivision. The amount of the bills rendered by the ~~department~~ commission under paragraph (c) must be paid by the energy utility into an account in

the special revenue fund in the state treasury within 30 days from the date of billing and is appropriated to the ~~commissioner~~ commission for the purposes provided in this section. The commission shall approve or approve as modified a rate schedule providing for the automatic adjustment of charges to recover amounts paid by utilities under this section. All amounts assessed under this section are in addition to amounts appropriated to the commission ~~and the department~~ by other law.

Subd. 3. **ASSESSMENT AND APPROPRIATION.** In addition to the amount noted in subdivision 2, the ~~commissioner~~ commission may assess utilities, using the mechanism specified in that subdivision, up to an additional $500,000 annually through June 30, 2006. The amounts assessed under this subdivision are appropriated to the ~~commissioner~~ commission, and some or all of the amounts assessed may be transferred to the commissioner of administration, for the purposes specified in section 16B.325 and Laws 2001, chapter 212, article 1, section 3, as needed to implement those sections.

Subd. 4. **EXPIRATION.** This section expires June 30, ~~2006~~ 2007.

Sec. 17. **TRANSFERRING POWER PLANT SITING RESPONSIBILITIES.**

To ensure greater public participation in energy infrastructure approval proceedings and to better integrate and align state energy and environmental policy goals with economic decisions involving large energy infrastructure, all responsibilities, as defined in Minnesota Statutes, section 15.039, subdivision 1, held by the Environmental Quality Board relating to power plant siting and routing under Minnesota Statutes, sections 116C.51 to 116C.69; wind energy conversion systems under Minnesota Statutes, sections 116C.691 to 116C.697; pipelines under Minnesota Statutes, chapter 116I; and rules associated with those sections are transferred to the Public Utilities Commission under Minnesota Statutes, section 15.039, except that the responsibilities of the Environmental Quality Board under Minnesota Statutes, section 116C.83, subdivision 6, and Minnesota Rules, parts 4400.1700, 4400.2750, and 4410.7010 to 4410.7070, are transferred to the commissioner of the Department of Commerce. The power plant siting staff of the Environmental Quality Board are transferred to the Department of Commerce. The department's budget shall be adjusted to reflect the transfer.

The Department of Commerce and the Public Utilities Commission shall carry out these duties in accordance with the provisions of Minnesota Statutes, section 116D.03.

Sec. 18. **TRANSFERRING RELIABILITY ADMINISTRATOR RESPONSIBILITIES.**

All responsibilities, as defined in Minnesota Statutes 2004, section 15.039, subdivision 1, held by the Minnesota Department of Commerce relating to the reliability administrator under Minnesota Statutes, section 216C.052, are transferred to the Minnesota Public Utilities Commission under Minnesota Statutes, section 15.039.

Sec. 19. **REVISOR'S INSTRUCTION.**

(a) The revisor of statutes shall change the words "Environmental Quality Board," "board," "chair of the board," "chair," "board's," and similar terms, when they refer to the Environmental Quality Board or chair of the Environmental Quality Board, to the term "Public Utilities Commission," "commission," or "commission's," as appropriate, where they appear in Minnesota Statutes, sections 13.741, subdivision 3, 116C.51 to 116C.697, and chapter 116I. The revisor shall also make those changes in Minnesota Rules, chapters 4400, 4401, and 4415, except as specified in paragraph (b).

(b) The revisor of statutes shall change the words "Environmental Quality Board," "board," "chair of the board," "chair," "board's," and similar terms, when they refer to the Environmental Quality Board or chair of the Environmental Quality Board, to the term "commissioner of the Department of Commerce," "commissioner," or "commissioner's," as appropriate, where they appear in Minnesota Statutes, section 116C.83, subdivision 6; and Minnesota Rules, parts 4400.1700, subparts 1 to 9, 11, and 12; 4400.2750; and 4410.7010 to 4410.7070.

Sec. 20. **EFFECTIVE DATE.**

Sections 1 to 18 are effective July 1, 2005.

ARTICLE 4

ENERGY ASSISTANCE TECHNICAL CORRECTIONS

Section 1. Minnesota Statutes 2004, section 13.681, is amended by adding a subdivision to read:

Subd. 5. **ENERGY PROGRAMS.** Treatment of data on individuals applying for benefits or services under energy programs is governed by section 216C.266.

Sec. 2. Minnesota Statutes 2004, section 119A.15, subdivision 5a, is amended to read:

Subd. 5a. **EXCLUDED PROGRAMS.** Programs transferred to the Department of Education from the Department of Employment and Economic Development may not be included in the consolidated funding account and are ineligible for local consolidation. The commissioner may not apply for federal waivers to include these programs in funding consolidation initiatives. The programs include the following:

(1) programs for the homeless under sections 116L.365 and 119A.43;

(2) emergency energy assistance and energy conservation programs under sections ~~119A.40 and 119A.42~~ 216C.263 and 216C.265;

(3) weatherization programs under section ~~119A.41~~ 216C.264;

(4) foodshelf programs under section 119A.44 and the emergency food assistance program; and

(5) lead abatement programs under section 119A.45.

Sec. 3. Minnesota Statutes 2004, section 216C.09, is amended to read:

216C.09 **COMMISSIONER DUTIES.**

(a) The commissioner shall:

(1) manage the department as the central repository within the state government for the collection of data on energy;

(2) prepare and adopt an emergency allocation plan specifying actions to be taken in the event of an impending serious shortage of energy, or a threat to public health, safety, or welfare;

(3) undertake a continuing assessment of trends in the consumption of all forms of energy and analyze the social, economic, and environmental consequences of these trends;

(4) carry out energy conservation measures as specified by the legislature and recommend to the governor and the legislature additional energy policies and conservation measures as required to meet the objectives of sections 216C.05 to 216C.30;

(5) collect and analyze data relating to present and future demands and resources for all sources of energy;

(6) evaluate policies governing the establishment of rates and prices for energy as related to energy conservation, and other goals and policies of sections 216C.05 to 216C.30, and make recommendations for changes in energy pricing policies and rate schedules;

(7) study the impact and relationship of the state energy policies to international, national, and regional energy policies;

(8) design and implement a state program for the conservation of energy; this program shall include but not be limited to, general commercial, industrial, and residential, and transportation areas; such program shall also provide for the evaluation of energy systems as they relate to lighting, heating, refrigeration, air conditioning, building design and operation, and appliance manufacturing and operation;

(9) inform and educate the public about the sources and uses of energy and the ways in which persons can conserve energy;

(10) dispense funds made available for the purpose of research studies and projects of professional and civic orientation, which are related to either energy conservation, resource recovery, or the development of alternative energy technologies which conserve nonrenewable energy resources while creating minimum environmental impact;

(11) charge other governmental departments and agencies involved in energy-related activities with specific information gathering goals and require that those goals be met;

(12) design a comprehensive program for the development of indigenous energy resources. The program shall include, but not be limited to, providing technical, informational, educational, and financial services and materials to persons, businesses, municipalities, and organizations involved in the development of solar, wind, hydropower, peat, fiber fuels, biomass, and other alternative energy resources. The program shall be evaluated by the alternative energy technical activity; and

(13) dispense loans, grants, or other financial aid from money received from litigation or settlement of alleged violations of federal petroleum-pricing regulations made available to the department for that purpose. The commissioner shall adopt rules under chapter 14 for this purpose. ~~Money dispersed under this clause must not include money received as a result of the settlement of the parties and order of the United States District Court for the District of Kansas in the case of In Re Department of Energy Stripper Well Exemption Litigation, 578 F. Supp. 586 (D.Kan. 1983) and all money received after August 1, 1988, by the governor, the commissioner of finance, or any other state agency resulting from overcharges by oil companies in violation of federal law.~~

(b) Further, the commissioner may participate fully in hearings before the Public Utilities Commission on matters pertaining to rate design, cost allocation, efficient resource utilization, utility conservation investments, small power production, cogeneration, and other rate issues. The commissioner shall support the policies stated in section 216C.05 and shall prepare and defend testimony proposed to encourage energy conservation improvements as defined in section 216B.241.

Sec. 4. Minnesota Statutes 2004, section 462A.05, subdivision 21, is amended to read:

Subd. 21. **RENTAL PROPERTY LOANS.** The agency may make or purchase loans to owners of rental property that is occupied or intended for occupancy primarily by low- and moderate-income tenants and which does not comply with the standards established in section ~~216C.27~~ 16B.61, subdivision ~~3~~ 1, for the purpose of energy improvements necessary to bring the property into full or partial compliance with these standards. For property which meets the other requirements of this subdivision, a loan may also be used for moderate rehabilitation of the property. The authority granted in this subdivision is in addition to and not in limitation of any other authority granted to the agency in this chapter. The limitations on eligible mortgagors contained in section 462A.03, subdivision 13, do not apply to loans under this subdivision. Loans for the improvement of rental property pursuant to this subdivision may contain provisions that repayment is not required in whole or in part subject to terms and conditions determined by the agency to be necessary and desirable to encourage owners to maximize rehabilitation of properties.

Sec. 5. Minnesota Statutes 2004, section 462A.05, subdivision 23, is amended to read:

Subd. 23. **INSURING FINANCIAL INSTITUTION LOANS.** The agency may participate in loans or establish a fund to insure loans, or portions of loans, that are made by any banking institution, savings association, or other lender approved by the

agency, organized under the laws of this or any other state or of the United States having an office in this state, to owners of renter occupied homes or apartments that do not comply with standards set forth in section ~~216C.27~~ 16B.61, subdivision ~~3~~ 1, without limitations relating to the maximum incomes of the owners or tenants. The proceeds of the insured portion of the loan must be used to pay the costs of improvements, including all related structural and other improvements, that will reduce energy consumption.

Sec. 6. **RECODIFICATION.**

Minnesota Statutes 2004, sections 119A.40; 119A.41; 119A.42; 119A.425; and 216C.27, subdivision 8, are recodified as sections 216C.263; 216C.264; 216C.265; 216C.266; and 16B.61, subdivision 8, respectively.

ARTICLE 5

WOODY BIOMASS MANDATE PROJECT

Section 1. Minnesota Statutes 2004, section 216B.2424, subdivision 1, is amended to read:

Subdivision 1. **FARM-GROWN CLOSED-LOOP BIOMASS.** (a) For the purposes of this section, "farm-grown closed-loop biomass" means biomass, as defined in section 216C.051, subdivision 7, that:

(1) is intentionally cultivated, harvested, and prepared for use, in whole or in part, as a fuel for the generation of electricity;

(2) when combusted, releases an amount of carbon dioxide that is less than or approximately equal to the carbon dioxide absorbed by the biomass fuel during its growing cycle; and

(3) is fired in a new or substantially retrofitted electric generating facility that is:

(i) located within 400 miles of the site of the biomass production; and

(ii) designed to use biomass to meet at least 75 percent of its fuel requirements.

(b) The legislature finds that the negative environmental impacts within 400 miles of the facility resulting from transporting and combusting the biomass are offset in that region by the environmental benefits to air, soil, and water of the biomass production.

(c) Among the biomass fuel sources that meet the requirements of paragraph (a), ~~clause~~ clauses (1) and (2) are poplar, aspen, willow, switch grass, sorghum, alfalfa, ~~and~~ cultivated prairie grass and sustainably managed woody biomass.

(d) For the purpose of this section, "sustainably managed woody biomass" means:

(1) brush, trees, and other biomass harvested from within designated utility, railroad, and road rights-of-way;

(2) upland and lowland brush harvested from lands incorporated into brushland habitat management activities of the Minnesota Department of Natural Resources;

(3) upland and lowland brush harvested from lands managed in accordance with Minnesota Department of Natural Resources "Best Management Practices for Managing Brushlands";

(4) logging slash or waste wood that is created by harvest, precommercial timber stand improvement to meet silvicultural objectives, or by fire, disease, or insect control treatments, and that is managed in compliance with the Minnesota Forest Resources Council's "Sustaining Minnesota Forest Resources: Voluntary Site-Level Forest Management Guidelines for Landowners, Loggers and Resource Managers" as modified by the requirement of this subdivision; and

(5) trees or parts of trees that do not meet the utilization standards for pulpwood, posts, bolts, or sawtimber as described in the Minnesota Department of Natural Resources Division of Forestry Timber Sales Manual, 1998, as amended as of May 1, 2005, and the Minnesota Department of Natural Resources Timber Scaling Manual, 1981, as amended as of May 1, 2005, except as provided in paragraph (a), clause (1), and this paragraph, clauses (1) to (3).

Sec. 2. Minnesota Statutes 2004, section 216B.2424, is amended by adding a subdivision to read:

Subd. 1a. **MUNICIPAL WASTE-TO-ENERGY PROJECT.** (a) This subdivision applies only to a biomass project owned or controlled, directly or indirectly, by two municipal utilities as described in subdivision 5a, paragraph (b).

(b) Woody biomass from state-owned land must be harvested in compliance with an adopted management plan and a program of ecologically based third-party certification.

(c) The project must prepare a fuel plan on an annual basis after commercial operation of the project as described in the power contract between the project and the public utility, and must also prepare annually certificates reflecting the types of fuel used in the preceding year by the project, as described in the power contract. The fuel plans and certificates shall also be filed with the Minnesota Department of Natural Resources and the Minnesota Department of Commerce within 30 days after being provided to the public utility, as provided by the power contract. Any person who believes the fuel plans, as amended, and certificates show that the project does not or will not comply with the fuel requirements of this subdivision may file a petition with the commission seeking such a determination.

(d) The wood procurement process must utilize third-party audit certification systems to verify that applicable best management practices were utilized in the procurement of the sustainably managed biomass. If there is a failure to so verify in any two consecutive years during the original contract term, the farm-grown closed-

loop biomass requirements of subdivision 2 must be increased to 50 percent for the remaining contract term period; however, if in two consecutive subsequent years after the increase has been implemented, it is verified that the conditions in this subdivision have been met, then for the remaining original contract term the closed-loop biomass mandate reverts to 25 percent. If there is a subsequent failure to verify in a year after the first failure and implementation of the 50 percent requirement, then the closed-loop percentage shall remain at 50 percent for each remaining year of the contract term.

(e) In the closed-loop plantation, no transgenic plants may be used.

(f) No wood may be harvested from any lands identified by the final or preliminary Minnesota County Biological Survey as having statewide significance as native plant communities, large populations or concentrations of rare species, or critical animal habitat.

(g) A wood procurement plan must be prepared every five years and public meetings must be held and written comments taken on the plan and documentation must be provided on why or why not the public inputs were used.

(h) Guidelines or best management practices for sustainably managed woody biomass must be adopted by:

(1) the Minnesota Department of Natural Resources for managing and maintaining brushland and open land habitat on public and private lands, including, but not limited to, provisions of sections 84.941, 84.942, and 97A.125; and

(2) the Minnesota Forest Resources Council for logging slash, using the most recent available scientific information regarding the removal of woody biomass from forest lands, to sustain the management of forest resources as defined by section 89.001, subdivisions 8 and 9, with particular attention to soil productivity, biological diversity as defined by section 89A.01, subdivision 3, and wildlife habitat.

These guidelines must be completed by July 1, 2007, and the process of developing them must incorporate public notification and comment.

(i) The University of Minnesota Initiative for Renewable Energy and the Environment is encouraged to solicit and fund high-quality research projects to develop and consolidate scientific information regarding the removal of woody biomass from forest and brush lands, with particular attention to the environmental impacts on soil productivity, biological diversity, and sequestration of carbon. The results of this research shall be made available to the public.

(j) The two utilities owning or controlling, directly or indirectly, the biomass project described in subdivision 5a, paragraph (b), shall fund or obtain funding from nonstate sources of up to $150,000 to complete the guidelines or best management practices described in paragraph (h). The expenditures to be funded under this paragraph do not include any of the expenditures to be funded under paragraph (i).

Sec. 3. Minnesota Statutes 2004, section 216B.2424, subdivision 2, is amended to read:

Subd. 2. **INTERIM EXEMPTION.** (a) A biomass project proposing to use, as its primary fuel over the life of the project, short-rotation woody crops, may use as an interim fuel agricultural waste and other biomass which is not farm-grown closed-loop biomass for up to six years after the project's electric generating facility becomes operational; provided, the project developer demonstrates the project will use the designated short-rotation woody crops as its primary fuel after the interim period and provided the location of the interim fuel production meets the requirements of subdivision 1, paragraph (a), clause (3).

(b) A biomass project proposing to use, as its primary fuel over the life of the project, short-rotation woody crops, may use as an interim fuel agricultural waste and other biomass which is not farm-grown closed-loop biomass for up to three years after the project's electric generating facility becomes operational; provided, the project developer demonstrates the project will use the designated short-rotation woody crops as its primary fuel after the interim period.

(c) A biomass project that uses an interim fuel under the terms of paragraph (b) may, in addition, use an interim fuel under the terms of paragraph (a) for six years less the number of years that an interim fuel was used under paragraph (b).

(d) A project developer proposing to use an exempt interim fuel under paragraphs (a) and (b) must demonstrate to the public utility that the project will have an adequate supply of short-rotation woody crops which meet the requirements of subdivision 1 to fuel the project after the interim period.

(e) If a biomass project using an interim fuel under this subdivision is or becomes owned or controlled, directly or indirectly, by two municipal utilities as described in subdivision 5a, paragraph (b), the project is deemed to comply with the requirement under this subdivision to use as its primary fuel farm-grown closed-loop biomass if farm-grown closed-loop biomass comprises no less than 25 percent of the fuel used over the life of the project. For purposes of this subdivision, "life of the project" means 20 years from the date the project becomes operational or the term of the applicable power purchase agreement between the project owner and the public utility, whichever is longer.

Sec. 4. Minnesota Statutes 2004, section 216B.2424, subdivision 5a, is amended to read:

Subd. 5a. **REDUCTION OF BIOMASS MANDATE.** (a) Notwithstanding subdivision 5, the biomass electric energy mandate ~~shall~~ must be reduced from 125 megawatts to 110 megawatts.

(b) The Public Utilities Commission shall approve a request pending before the ~~Public Utilities~~ commission as of May 15, 2003, for ~~an amendment~~ amendments to and assignment of a ~~contract for power from~~ power purchase agreement with the owner of a facility that uses short-rotation, woody crops as its primary fuel previously approved to satisfy a portion of the biomass mandate if the ~~developer~~ owner of the project agrees to reduce the size of its project from 50 megawatts to 35 megawatts, while maintaining ~~a~~ an average price for energy ~~at or below the current contract price.~~ in nominal dollars

measured over the term of the power purchase agreement at or below $104 per megawatt-hour, exclusive of any price adjustments that may take effect subsequent to commission approval of the power purchase agreement, as amended. The commission shall also approve, as necessary, any subsequent assignment or sale of the power purchase agreement or ownership of the project to an entity owned or controlled, directly or indirectly, by two municipal utilities located north of Constitutional Route No. 8, as described in section 161.114, which currently own electric and steam generation facilities using coal as a fuel and which propose to retrofit their existing municipal electrical generating facilities to utilize biomass fuels in order to perform the power purchase agreement.

(c) If the power purchase agreement described in paragraph (b) is assigned to an entity that is, or becomes, owned or controlled, directly or indirectly, by two municipal entities as described in paragraph (b), and the power purchase agreement meets the price requirements of paragraph (b), the commission shall approve any amendments to the power purchase agreement necessary to reflect the changes in project location and ownership and any other amendments made necessary by those changes. The commission shall also specifically find that:

(1) the power purchase agreement complies with and fully satisfies the provisions of this section to the full extent of its 35-megawatt capacity;

(2) all costs incurred by the public utility and all amounts to be paid by the public utility to the project owner under the terms of the power purchase agreement are fully recoverable pursuant to section 216B.1645;

(3) subject to prudency review by the commission, the public utility may recover from its Minnesota retail customers the Minnesota jurisdictional portion of the amounts that may be incurred and paid by the public utility during the full term of the power purchase agreement; and

(4) if the purchase power agreement meets the requirements of this subdivision, it is reasonable and in the public interest.

(d) The commission shall specifically approve recovery by the public utility of any and all Minnesota jurisdictional costs incurred by the public utility to improve, construct, install, or upgrade transmission, distribution, or other electrical facilities owned by the public utility or other persons in order to permit interconnection of the retrofitted biomass-fueled generating facilities or to obtain transmission service for the energy provided by the facilities to the public utility pursuant to section 216B.1645, and shall disapprove any provision in the power purchase agreement that requires the developer or owner of the project to pay the jurisdictional costs or that permit the public utility to terminate the power purchase agreement as a result of the existence of those costs or the public utility's obligation to pay any or all of those costs.

Sec. 5. Minnesota Statutes 2004, section 216B.2424, subdivision 6, is amended to read:

Subd. 6. **REMAINING MEGAWATT COMPLIANCE PROCESS.** (a) If there remain megawatts of biomass power generating capacity to fulfill the mandate in

subdivision 5 after the commission has taken final action on all contracts filed by September 1, 2000, by a public utility, as amended and assigned, this subdivision governs final compliance with the biomass energy mandate in subdivision 5 subject to the requirements of subdivisions 7 and 8.

(b) To the extent not inconsistent with this subdivision, the provisions of subdivisions 2, 3, 4, and 5 apply to proposals subject to this subdivision.

(c) A public utility must submit proposals to the commission to complete the biomass mandate. The commission shall require a public utility subject to this section to issue a request for competitive proposals for projects for electric generation utilizing biomass as defined in paragraph (f) of this subdivision to provide the remaining megawatts of the mandate. The commission shall set an expedited schedule for submission of proposals to the utility, selection by the utility of proposals or projects, negotiation of contracts, and review by the commission of the contracts or projects submitted by the utility to the commission.

(d) Notwithstanding the provisions of subdivisions 1 to 5 but subject to the provisions of subdivisions 7 and 8, a new or existing facility proposed under this subdivision that is fueled either by biomass or by co-firing biomass with nonbiomass may satisfy the mandate in this section. Such a facility need not use biomass that complies with the definition in subdivision 1 if it uses biomass as defined in paragraph (f) of this subdivision. Generating capacity produced by co-firing of biomass that is operational as of April 25, 2000, does not meet the requirements of the mandate, except that additional co-firing capacity added at an existing facility after April 25, 2000, may be used to satisfy this mandate. Only the number of megawatts of capacity at a facility which co-fires biomass that are directly attributable to the biomass and that become operational after April 25, 2000, count toward meeting the biomass mandate in this section.

(e) Nothing in this subdivision precludes a facility proposed and approved under this subdivision from using fuel sources that are not biomass in compliance with subdivision 3.

(f) Notwithstanding the provisions of subdivision 1, for proposals subject to this subdivision, "biomass" includes farm-grown closed-loop biomass; agricultural wastes, including animal, poultry, and plant wastes; and waste wood, including chipped wood, bark, brush, residue wood, and sawdust.

(g) Nothing in this subdivision affects in any way contracts entered into as of April 25, 2000, to satisfy the mandate in subdivision 5.

(h) Nothing in this subdivision requires a public utility to retrofit its own power plants for the purpose of co-firing biomass fuel, nor is a utility prohibited from retrofitting its own power plants for the purpose of co-firing biomass fuel to meet the requirements of this subdivision.

Sec. 6. Minnesota Statutes 2004, section 216B.2424, subdivision 8, is amended to read:

Subd. 8. **AGRICULTURAL BIOMASS REQUIREMENT.** Of the 125 megawatts mandated in subdivision 5, or 110 megawatts mandated in subdivision 5a, at least 75 megawatts of the generating capacity must be generated by facilities that use agricultural biomass as the principal fuel source. For purposes of this subdivision, agricultural biomass includes only farm-grown closed-loop biomass and agricultural waste, including animal, poultry, and plant wastes. For purposes of this subdivision, "principal fuel source" means a fuel source that satisfies at least 75 percent of the fuel requirements of an electric power generating facility. Nothing in this subdivision is intended to expand the fuel source requirements of subdivision 5.

ARTICLE 6

E-FILING

Section 1. **ESTABLISHMENT OF FUND.**

The Department of Commerce's e-filing account is established. The commissioner of commerce shall make a onetime assessment of no more than $300,000 to cover the actual cost of implementing this section. The funds assessed must be deposited in the account. Any excess funds in the account upon completion must be refunded to the utilities proportionately to the amount assessed. Each public utility, generation and transmission cooperative electric association, municipal power agency, telephone company, and telecommunications carrier must be assessed in proportion to its respective gross jurisdictional operating revenues for sales of gas, electric, or telecommunications service in the state in the last calendar year. Revenue in the account is appropriated to the commissioner of commerce for the costs associated with establishing an e-filing system that allows documents filed with the Public Utilities Commission to be filed and retrieved via the Internet. Revenue in the account remains available until expended.

Sec. 2. **COMPLETION DATE.**

The e-filing system described in section 1 must be operational by July 1, 2006.

Sec. 3. **EFFECTIVE DATE.**

Sections 1 and 2 are effective the day following final enactment.

ARTICLE 7

CIP TECHNICAL CORRECTIONS

Section 1. Minnesota Statutes 2004, 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:

(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~~ 50 percent 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) At least every ~~two~~ four years, 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 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 60,000,000 kilowatt hours in annual retail 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. 2. Minnesota Statutes 2004, section 216B.241, subdivision 2, is amended to read:

Subd. 2. **PROGRAMS.** (a) The commissioner may require public utilities to make investments and expenditures in energy conservation improvements, explicitly setting forth the interest rates, prices, and terms under which the improvements must be offered to the customers. The required programs must cover no more than a ~~two-year~~ four-year period. Public utilities shall file conservation improvement plans by June 1, on a schedule determined by order of the commissioner, but at least every four years. Plans received by a public utility by June 1 must be approved or approved as modified by the commissioner by December 1 of that same year. The commissioner shall give special consideration and encouragement to programs that bring about significant net savings through the use of energy-efficient lighting. The commissioner shall evaluate the program on the basis of cost-effectiveness and the reliability of technologies employed. The commissioner's order must provide to the extent practicable for a free choice, by consumers participating in the program, of the device, method, material, or project constituting the energy conservation improvement and for a free choice of the seller, installer, or contractor of the energy conservation improvement, provided that the device, method, material, or project seller, installer, or contractor is duly licensed, certified, approved, or qualified, including under the residential conservation services program, where applicable.

(b) The commissioner may require a utility to make an energy conservation improvement investment or expenditure whenever the commissioner finds that the improvement will result in energy savings at a total cost to the utility less than the cost to the utility to produce or purchase an equivalent amount of new supply of energy. The commissioner shall nevertheless ensure that every public utility operate one or more programs under periodic review by the department.

(c) Each public utility subject to subdivision 1a 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 section by the utility on research and development projects that meet the definition of energy conservation improvement in subdivision 1 and that are funded directly by the public utility.

(d) A public utility may not spend for or invest in energy conservation improvements that directly benefit a large electric customer facility for which the commissioner has issued an exemption pursuant to subdivision 1a, paragraph (b). The commissioner shall consider and may require a utility to undertake a program suggested by an outside source, including a political subdivision or a nonprofit or community organization.

(e) The commissioner may, by order, establish a list of programs that may be offered as energy conservation improvements by a public utility, municipal utility, cooperative electric association, or other entity providing conservation services pursuant to this section. The list of programs may include rebates for high-efficiency appliances, rebates or subsidies for high-efficiency lamps, small business energy audits, and building recommissioning. The commissioner may, by order, change this list to add or subtract programs as the commissioner determines is necessary to promote efficient and effective conservation programs.

(f) The commissioner shall ensure that 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, in proportion to the amount the utility has historically spent on such programs based on the most recent three-year average relative to the utility's total conservation spending under this section, unless an insufficient number of appropriate programs are available.

(g) A utility, a political subdivision, or a nonprofit or community organization that has suggested a program, the attorney general acting on behalf of consumers and small business interests, or a utility customer that has suggested a program and is not represented by the attorney general under section 8.33 may petition the commission to modify or revoke a department decision under this section, and the commission may do so if it determines that the program is not cost-effective, does not adequately address the residential conservation improvement needs of low-income persons, has a long-range negative effect on one or more classes of customers, or is otherwise not in the public interest. The commission shall reject a petition that, on its face, fails to make a reasonable argument that a program is not in the public interest.

(h) The commissioner may order a public utility to include, with the filing of the utility's proposed conservation improvement plan under paragraph (a), the results of an independent audit of the utility's conservation improvement programs and expenditures performed by the department or an auditor with experience in the provision of energy conservation and energy efficiency services approved by the commissioner and chosen by the utility. The audit must specify the energy savings or increased efficiency in the use of energy within the service territory of the utility that is the result of the spending and investments. The audit must evaluate the cost-effectiveness of the utility's conservation programs.

(i) 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 audit and evaluation.

ARTICLE 8

POWER QUALITY ZONES

Section 1. **[216B.2426] OPPORTUNITIES FOR DISTRIBUTED GENERATION.**

The commission shall ensure that opportunities for the installation of distributed generation, as that term is defined in section 216B.169, subdivision 1, paragraph (c), are considered in any proceeding under section 216B.2422, 216B.2425, or 216B.243.

Sec. 2. **[216B.82] LOCAL POWER QUALITY ZONES.**

(a) Upon joint petition of a public utility as defined in section 216B.02, subdivision 4, and any customer located within the utility's service territory, the commission may establish a zone within that utility's service territory where the utility will install additional, redundant or upgraded components of the electric distribution infrastructure that are designed to decrease the risk of power outages, provided the utility and all of its customers located within the proposed zone have approved the installation of the components and the financial recovery plan prior to the creation of the zone. Prior to commission approval, the utility must notify each customer within the proposed zone of the total costs of the installation, an estimate of the customer's share of those costs, and the potential benefits of the local power quality zone to the customer.

(b) The commission shall authorize the utility to collect all costs of the installation of any components under this section, including initial investment, operation and maintenance costs and taxes from all customers within the zone, through tariffs and surcharges for service in a zone that appropriately reflect the cost of service to those customers, provided the customers agree to pay all costs for a predetermined period, including costs of component removal, if appropriate.

(c) Nothing in this section limits the ability of the utility and any customer to enter into customer-specific agreements pursuant to applicable statutory, rule, or tariff provisions.

Nothing in this section shall be construed to permit the quality of service outside a designated zone to decline.

ARTICLE 9

BIOGAS INCENTIVE PAYMENTS

Section 1. Minnesota Statutes 2004, section 216C.41, subdivision 1, is amended to read:

Subdivision 1. **DEFINITIONS.** (a) The definitions in this subdivision apply to this section.

(b) "Qualified hydroelectric facility" means a hydroelectric generating facility in this state that:

(1) is located at the site of a dam, if the dam was in existence as of March 31, 1994; and

(2) begins generating electricity after July 1, 1994, or generates electricity after substantial refurbishing of a facility that begins after July 1, 2001.

(c) "Qualified wind energy conversion facility" means a wind energy conversion system in this state that:

(1) produces two megawatts or less of electricity as measured by nameplate rating and begins generating electricity after December 31, 1996, and before July 1, 1999;

(2) begins generating electricity after June 30, 1999, produces two megawatts or less of electricity as measured by nameplate rating, and is:

(i) owned by a resident of Minnesota or an entity that is organized under the laws of this state, is not prohibited from owning agricultural land under section 500.24, and owns the land where the facility is sited;

(ii) owned by a Minnesota small business as defined in section 645.445;

(iii) owned by a Minnesota nonprofit organization;

(iv) owned by a tribal council if the facility is located within the boundaries of the reservation;

(v) owned by a Minnesota municipal utility or a Minnesota cooperative electric association; or

(vi) owned by a Minnesota political subdivision or local government, including, but not limited to, a county, statutory or home rule charter city, town, school district, or any other local or regional governmental organization such as a board, commission, or association; or

(3) begins generating electricity after June 30, 1999, produces seven megawatts or less of electricity as measured by nameplate rating, and:

(i) is owned by a cooperative organized under chapter 308A other than a Minnesota cooperative electric association; and

(ii) all shares and membership in the cooperative are held by an entity that is not prohibited from owning agricultural land under section 500.24.

(d) "Qualified on-farm biogas recovery facility" means an anaerobic digester system that:

(1) is located at the site of an agricultural operation; and

(2) is owned by an entity that is not prohibited from owning agricultural land under section 500.24 and that owns or rents the land where the facility is located; and

~~(3) begins generating electricity after July 1, 2001.~~

(e) "Anaerobic digester system" means a system of components that processes animal waste based on the absence of oxygen and produces gas used to generate electricity.

ARTICLE 10

GAS INFRASTRUCTURE COST

Section 1. **[216B.1635] RECOVERY OF ELIGIBLE INFRASTRUCTURE REPLACEMENT COSTS BY GAS UTILITIES.**

Subdivision 1. **DEFINITIONS.** (a) "Gas utility" means a public utility as defined in section 216B.02, subdivision 4, that furnishes natural gas service to retail customers.

(b) "Gas utility infrastructure costs" or "GUIC" means gas utility projects that:

(1) do not serve to increase revenues by directly connecting the infrastructure replacement to new customers;

(2) are in service but were not included in the gas utility's rate base in its most recent general rate case; and

(3) replace or modify existing infrastructure if the replacement or modification does not constitute a betterment, unless the betterment is required by a political subdivision, as evidenced by specific documentation from the government entity requiring the replacement or modification of infrastructure.

(c) "Gas utility projects" means relocation and replacement of natural gas facilities located in the public right-of-way required by the construction or improvement of a highway, road, street, public building, or other public work by or on behalf of the United States, the State of Minnesota, or a political subdivision.

Subd. 2. **FILING.** (a) The commission may approve a gas utility's petition for a rate schedule to recover GUIC under this section. A gas utility may petition the commission to recover a rate of return, income taxes on the rate of return, incremental property taxes, plus incremental depreciation expense associated with GUIC.

(b) The filing is subject to the following:

(1) a gas utility may submit a filing under this section no more than once per year;

(2) a gas utility must file sufficient information to satisfy the commission regarding the proposed GUIC or be subject to denial by the commission. The information includes, but is not limited to:

(i) the government entity ordering the gas utility project and the purpose for which the project is undertaken;

(ii) the location, description, and costs associated with the project;

(iii) a description of the costs, and salvage value, if any, associated with the existing infrastructure replaced or modified as a result of the project;

(iv) the proposed rate design and an explanation of why the proposed rate design is in the public interest;

(v) the magnitude and timing of any known future gas utility projects that the utility may seek to recover under this section;

(vi) the magnitude of GUIC in relation to the gas utility's base revenue as approved by the commission in the gas utility's most recent general rate case, exclusive of gas purchase costs and transportation charges;

(vii) the magnitude of GUIC in relation to the gas utility's capital expenditures since its most recent general rate case;

(viii) the amount of time since the utility last filed a general rate case and the utility's reasons for seeking recovery outside of a general rate case; and

(ix) documentation supporting the calculation of the GUIC.

Subd. 3. **COMMISSION AUTHORITY.** The commission may issue orders and adopt rules necessary to implement and administer this section.

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

Sec. 2. **REPORT TO LEGISLATURE.**

The Department of Commerce shall review the operation and impact of the GUIC recovery mechanism established under Minnesota Statutes, section 216B.1635, on ratepayers and the utility and submit a report of its findings and recommendations to the legislature four years after the effective date of this section.

Sec. 3. **SUNSET.**

Sections 1 and 2 shall expire on June 30, 2015.

ARTICLE 11

EMINENT DOMAIN LANDOWNER COMPENSATION

Section. 1. **LANDOWNER PAYMENTS WORKING GROUP.**

Subdivision 1. **MEMBERSHIP.** By June 15, 2005, the Legislative Electric Energy Task Force shall convene a landowner payments working group consisting of

up to 12 members, including representatives from each of the following groups: transmission-owning investor-owned utilities, electric cooperatives, municipal power agencies, Farm Bureau, Farmers Union, county commissioners, real estate appraisers and others with an interest and expertise in landowner rights and the market value of rural property.

Subd. 2. **APPOINTMENT.** The chairs of the Legislative Electric Energy Task Force and the chairs of the senate and house committees with primary jurisdiction over energy policy shall jointly appoint the working group members.

Subd. 3. **CHARGE.** (a) The landowner payments working group shall research alternative methods of remunerating landowners on whose land high voltage transmission lines have been constructed.

(b) In developing its recommendations, the working group shall:

(1) examine different methods of landowner payments that operate in other states and countries;

(2) consider innovative alternatives to lump-sum payments that extend payments over the life of the transmission line and that run with the land if the land is conveyed to another owner;

(3) consider alternative ways of structuring payments that are equitable to landowners and utilities.

Subd. 4. **EXPENSES.** Members of the working group shall be reimbursed for expenses as provided in Minnesota Statutes, section 15.059, subdivision 6. Expenses of the landowner payments working group shall not exceed $10,000 without the approval of the chairs of the Legislative Electric Energy Task Force.

Subd. 5. **REPORT.** The landowner payments working group shall present its findings and recommendations, including legislative recommendations and model legislation, if any, in a report to the Legislative Electric Energy Task Force by January 15, 2006.

ARTICLE 12

TECHNICAL CORRECTION

Section 1. Minnesota Statutes 2004, section 216B.16, subdivision 6d, is amended to read:

Subd. 6d. **WIND ENERGY; PROPERTY TAX.** An owner of a wind energy conversion facility which is required to pay property taxes under section 272.02, subdivision 22, or production taxes under section 272.029, and any related or successor provisions, or a public utility regulated by the Public Utilities Commission which

purchases the wind generated electricity may petition the commission to include in any power purchase agreement between the owner of the facility and the public utility the amount of property taxes and production taxes paid by the owner of the facility. The Public Utilities Commission shall require the public utility to amend the power purchase agreement to include the property taxes and production taxes paid by the owner of the facility in the price paid by the utility for wind generated electricity if the commission finds:

(1) the owner of the facility has paid the property taxes or production taxes required by this subdivision;

(2) the power purchase agreement between the public utility and the owner does not already require the utility to pay the amount of property taxes or production taxes the owner has paid under this subdivision, or, in the case of a power purchase agreement entered into prior to 1997, the amount of property or production taxes paid by the owner in any year of the power purchase agreement exceeds the amount of such property or production taxes included in the price paid by the utility to the owner, as reflected in the owner's bid documents; and

(3) the commission has approved a rate schedule containing provisions for the automatic adjustment of charges for utility service in direct relation to the charges ordered by the commission under section 272.02, subdivision 22, or section 272.029.

ARTICLE 13

HYDROGEN

Section 1. **[216B.811] DEFINITIONS.**

Subdivision 1. **SCOPE.** For purposes of sections 216B.811 to 216B.815, the terms defined in this section have the meanings given them.

Subd. 2. **FUEL CELL.** "Fuel cell" means an electrochemical device that produces useful electricity, heat, and water vapor, and operates as long as it is provided fuel.

Subd. 3. **HYDROGEN.** "Hydrogen" means hydrogen produced using native energy sources.

Subd. 4. **RELATED TECHNOLOGIES.** "Related technologies" means balance of plant components necessary to make hydrogen and fuel cell systems function; turbines, reciprocating, and other combustion engines capable of operating on hydrogen; and electrolyzers, reformers, and other equipment and processes necessary to produce, purify, store, distribute, and use hydrogen for energy.

Sec. 2. **[216B.812] FOSTERING THE TRANSITION TOWARD ENERGY SECURITY.**

Subdivision 1. **EARLY PURCHASE AND DEPLOYMENT OF HYDROGEN, FUEL CELLS, AND RELATED TECHNOLOGIES BY THE STATE.** The Department of Administration shall identify opportunities for demonstrating the use of hydrogen fuel cells within state-owned facilities, vehicle fleets, and operations.

The department shall purchase and demonstrate hydrogen, fuel cells, and related technologies in ways that strategically contribute to realizing Minnesota's hydrogen economy goal as set forth in section 216B.013, and which contribute to the following nonexclusive list of objectives:

(1) provide needed performance data to the marketplace;

(2) identify code and regulatory issues to be resolved;

(3) advance or validate a critical area of research;

(4) foster economic development and job creation in the state;

(5) raise public awareness of hydrogen, fuel cells, and related technologies; or

(6) reduce emissions of carbon dioxide and other pollutants.

Subd. 2. **SUPPORT FOR STRATEGIC DEMONSTRATION PROJECTS THAT ACCELERATE THE COMMERCIALIZATION OF HYDROGEN, FUEL CELLS, AND RELATED TECHNOLOGIES.** (a) In consultation with appropriate representatives from state agencies, local governments, universities, businesses, and other interested parties, the Department of Commerce shall report back to the legislature by November 1, 2005, and every two years thereafter, with a slate of proposed pilot projects that contribute to realizing Minnesota's hydrogen economy goal as set forth in section 216B.013. The Department of Commerce must consider the following nonexclusive list of priorities in developing the proposed slate of pilot projects:

(1) demonstrate "bridge" technologies such as hybrid-electric, off-road, and fleet vehicles running on hydrogen or fuels blended with hydrogen;

(2) develop cost-competitive, on-site hydrogen production technologies;

(3) demonstrate nonvehicle applications for hydrogen;

(4) improve the cost and efficiency of hydrogen from renewable energy sources; and

(5) improve the cost and efficiency of hydrogen production using direct solar energy without electricity generation as an intermediate step.

(b) For all demonstrations, individual system components of the technology must meet commercial performance standards and systems modeling must be completed to predict commercial performance, risk, and synergies. In addition, the proposed pilots should meet as many of the following criteria as possible:

(1) advance energy security;

(2) capitalize on the state's native resources;

(3) result in economically competitive infrastructure being put in place;

(4) be located where it will link well with existing and related projects and be accessible to the public, now or in the future;

(5) demonstrate multiple, integrated aspects of hydrogen infrastructure;

(6) include an explicit public education and awareness component;

(7) be scalable to respond to changing circumstances and market demands;

(8) draw on firms and expertise within the state where possible;

(9) include an assessment of its economic, environmental, and social impact; and

(10) serve other needs beyond hydrogen development.

Subd. 3. **ESTABLISHING INITIAL, MULTIFUEL TRANSITION INFRASTRUCTURE FOR HYDROGEN VEHICLES.** The commissioner of commerce may accept federal funds, expend funds, and participate in projects to design, site, and construct multifuel hydrogen fueling stations that eventually link urban centers along key trade corridors across the jurisdictions of Manitoba, the Dakotas, Minnesota, Iowa, and Wisconsin.

These energy stations must serve the priorities listed in subdivision 2 and, as transition infrastructure, should accommodate a wide variety of vehicle technologies and fueling platforms, including hybrid, flexible-fuel, and fuel cell vehicles. They may offer, but not be limited to, gasoline, diesel, ethanol (E-85), biodiesel, and hydrogen, and may simultaneously test the integration of on-site combined heat and power technologies with the existing energy infrastructure.

The hydrogen portion of the stations may initially serve local, dedicated on or off-road vehicles, but should eventually support long-haul transport.

Sec. 3. **[216B.815] AUTHORIZE AND ENCOURAGE THE STATE'S PUBLIC RESEARCH INSTITUTIONS TO COORDINATE AND LEVERAGE THEIR STRENGTHS THROUGH A REGIONAL ENERGY RESEARCH AND EDUCATION PARTNERSHIP.**

The state's public research and higher education institutions should work with one another and with similar institutions in the region to establish Minnesota and the Upper Midwest as a center of research, education, outreach, and technology transfer for the production of renewable energy and products, including hydrogen, fuel cells, and related technologies. The partnership should be designed to create a critical mass of research and education capability that can compete effectively for federal and private investment in these areas.

The partnership must include an advisory committee comprised of government, industry, academic, and nonprofit representatives to help focus its research and education efforts on the most critical issues. Initiatives undertaken by the partnership may include:

(1) collaborative and interdisciplinary research, demonstration projects, and commercialization of market-ready technologies;

(2) creation of undergraduate and graduate course offerings and eventually degreed and vocational programs with reciprocity;

(3) establishment of fellows programs at the region's institutes of higher learning that provide financial incentives for relevant study, research, and exchange; and

(4) development and field-testing of relevant curricula, teacher kits for all educational levels, and widespread teacher training, in collaboration with state energy offices, teachers, nonprofits, businesses, the United States Department of Energy, and other interested parties.

Sec. 4. **HYDROGEN REFUELING STATIONS; GRANTS.**

The commissioner of commerce shall make assessments under Minnesota Statutes, section 216C.052, of $300,000 in fiscal year 2006 and $300,000 in fiscal year 2007 for the purpose of matching federal and private investments in three multifuel hydrogen refueling stations in Moorhead, Alexandria, and the Twin Cities respectively. The assessments are subject to the assessment caps specified in Minnesota Statutes, section 216C.052. Sums assessed under this section are appropriated to the commissioner of commerce for the purpose of this section. The assessments and grants are contingent upon securing the balance of the total project costs from nonstate sources.

Sec. 5. **FUEL CELL CURRICULUM DEVELOPMENT PILOT.**

The Board of Trustees of the Minnesota State Colleges and Universities is encouraged to work with the Upper Midwest Hydrogen Initiative and other interested parties to develop and implement hydrogen and fuel cell curricula and training programs that can be incorporated into existing relevant courses and disciplines affected by these technologies. These disciplines include, but are not limited to, chemical, electrical, and mechanical engineering, including lab technicians; fuel cell production, installation, and maintenance; fuel cell and internal combustion vehicles, including hybrids, running on hydrogen or biofuels; and the construction, installation, and maintenance of facilities that will produce, use, or serve hydrogen. The curricula should also be useful to secondary educational institutions and should include, but not be limited to, the production, purification, distribution, and use of hydrogen in portable, stationary, and mobile applications and in fuel cells, turbines, and reciprocating engines.

ARTICLE 14

SOY-DIESEL

Section 1. **ALLOCATION; RENEWABLE DEVELOPMENT GRANT.**

Notwithstanding any contrary provision of Minnesota Statutes, section 116C.779, $150,000 is allocated in fiscal year 2006 to the Agricultural Utilization Research Institute from available funds in the renewable development account established under Minnesota Statutes, section 116C.779. The institute shall disburse the money over three fiscal years as grants to an applicant meeting the requirements of Minnesota Statutes, section 216C.41, subdivision 1, paragraph (c), clause (2), item (i), for a project that uses a soy-diesel generator to provide backup power for a wind energy conversion system of one megawatt or less of nameplate capacity. The institute shall disburse $50,000 of the grant in three consecutive fiscal years beginning July 1, 2005.

For the purpose of this section, "soy-diesel" means a renewable, biodegradable, mono alkyl ester combustible liquid fuel derived from agricultural plant oils that meets American Society for Testing and Materials Specification D6751-02 for Biodiesel Fuel (B100) Blend Stock for Distillate Fuels. This section only applies if the entity receives qualifying applications.

ARTICLE 15

BIODIESEL FUEL FOR HOME HEATING

Section 1. **STUDY; BIODIESEL FUEL FOR HOME HEATING.**

(a) From the money available to the commissioner of commerce for purposes of studies and technical assistance by the reliability administrator under Minnesota Statutes, section 216C.052, and in conformity with the goals and directives of Minnesota Statutes, section 16B.325, the reliability administrator shall perform a comprehensive technical and economic analysis of the benefits to be derived from using biodiesel fuel as defined in Minnesota Statutes, section 239.77, subdivision 1, or biodiesel fuel blends, as a home heating fuel. The analysis must consider blends ranging from B2 to B100. No more than $25,000 may be expended for the analysis.

(b) Not later than March 15, 2007, the reliability administrator shall report the results of the study and analysis to the appropriate standing committees of the Minnesota senate and house of representatives.

ARTICLE 16

CITY OF ALEXANDRIA JOINT VENTURE AUTHORITY

Section 1. Laws 2002, chapter 329, section 5, is amended to read:

Sec. 5. **JOINT VENTURE AUTHORITY.**

(a) The city of Alexandria may enter into a joint venture or joint ventures with one, two, or three of the entities known as Runestone Telephone Association ~~and~~, Runestone Electric Association, and Gardonville Telephone Cooperative for the purpose of providing local niche service, including internet services, and point to point transmission of digital information.

(b) For purposes of this section, with respect to the services described in paragraph (a), the city of Alexandria and a joint venture to which it is a party shall have the rights and authority granted by, and be subject to, Minnesota Statutes 2001 Supplement, section 452.25, except for the provisions of that section which relate specifically and only to electric utilities.

(c) For the purposes of this section, "local niche service" refers to point-to-point connections between end-user locations within a service area and any telecommunications services under the public utilities commission's jurisdiction under Minnesota Statutes, chapter 237 that do not fall within the definition of local service or the definition of interexchange service.

(d) If the city of Alexandria obtains authority to provide local service or interexchange service under chapter 237, it may enter into a joint venture with the entities identified in paragraph (a) for those purposes.

EFFECTIVE DATE; LOCAL APPROVAL. This section is effective as to the city of Alexandria the day after the city of Alexandria's governing body and its chief clerical officer timely complete compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Presented to the governor May 21, 2005

Signed by the governor May 25, 2005, 1:10 p.m.

CHAPTER 98—S.F.No. 1720

An act relating to human services; making agency technical amendments; changing provisions related to children and family services, health care, and continuing care programs; amending Minnesota Statutes 2004, sections 13.319, subdivision 3; 13.461, by adding a subdivision; 119B.02, subdivision 5; 119B.035, subdivision 1; 119B.074; 119B.08, subdivision 1; 119B.09, subdivision 1; 119B.26; 245.463, subdivision 2; 245.464, subdivision 1; 245.465, subdivision 1; 245.466, subdivisions 1, 5; 245.4661, subdivision 7; 245.483, subdivisions 1, 3; 245.4872, subdivision 2; 245.4873, subdivision 5; 245.4874; 245.4875, subdivisions 1, 5; 245A.16, subdivision 6; 252.24, subdivision 5; 252.282, subdivision 2; 252.46, subdivision 10; 256.045, subdivisions 3, 6, 7; 256B.04, subdivision 14; 256B.056, subdivision 1c; 256B.0625, subdivisions 5, 27; 256B.0911, subdivision 6; 256B.0913, subdivision 13; 256B.092, subdivision 1f; 256B.094, subdivision 8; 256B.0943, subdivisions 6, 12, 13; 256B.503; 256B.75; 256D.03, subdivision 3; 256G.01, subdivision 3; 256J.13, subdivision 2; 256J.21, subdivision 2; 256J.24,