

2.1 within any calendar year which are in excess of two-fifths of one percent of the gross
2.2 operating revenues, the excess costs shall not be chargeable as part of the remainder under
2.3 subdivision 3, but shall be paid out of the general appropriation to the department and
2.4 commission. In the case of public utilities offering more than one public utility service
2.5 only the gross operating revenues from the public utility service in connection with which
2.6 the investigation is being conducted shall be considered when determining this limitation.

2.7 Sec. 2. Minnesota Statutes 2010, section 216B.62, subdivision 3, is amended to read:

2.8 Subd. 3. **Assessing all public utilities.** The department and commission shall
2.9 quarterly, at least 30 days before the start of each quarter, estimate the total of their
2.10 expenditures in the performance of their duties relating to public utilities under sections
2.11 ~~216A.085~~ 216A.14 and 216B.01 to 216B.67, other than amounts chargeable to public
2.12 utilities under subdivision 2, 6, 7, or 8. The remainder shall be assessed by the commission
2.13 and department to the several public utilities in proportion to their respective gross
2.14 operating revenues from retail sales of gas or electric service within the state during the
2.15 last calendar year. The assessment shall be paid into the state treasury within 30 days
2.16 after the bill has been transmitted via mail, personal delivery, or electronic service to the
2.17 several public utilities, which shall constitute notice of the assessment and demand of
2.18 payment thereof. The total amount which may be assessed to the public utilities, under
2.19 authority of this subdivision, shall not exceed one-sixth of one percent of the total gross
2.20 operating revenues of the public utilities during the calendar year from retail sales of gas
2.21 or electric service within the state. The assessment for the third quarter of each fiscal
2.22 year shall be adjusted to compensate for the amount by which actual expenditures by
2.23 the commission and department for the preceding fiscal year were more or less than the
2.24 estimated expenditures previously assessed.

2.25 Sec. 3. Minnesota Statutes 2010, section 216C.052, is amended to read:

2.26 **216C.052 ENERGY RELIABILITY ADMINISTRATOR AND**
2.27 **INTERVENTION OFFICE.**

2.28 Subdivision 1. **Responsibilities.** (a) ~~There is established the position of reliability~~
2.29 ~~administrator~~ The Energy Reliability and Intervention Office is established in the
2.30 Department of Commerce to represent the interests of Minnesota residents, businesses,
2.31 and governments before bodies and agencies outside the state that make, interpret, or
2.32 implement regional, national, and international energy policy and regulate and implement
2.33 regional or national energy planning or infrastructure development. The ~~administrator~~
2.34 office shall act as a source of independent expertise and ~~a technical advisor to~~ advice for

3.1 the commissioner of commerce, the Public Utilities Commission, and the public on issues
3.2 related to the reliability and economics of the electric system. Under the guidance of the
3.3 commissioner and the commission, the office shall also participate and advocate for the
3.4 state's interests in other regional, national, and international energy matters potentially
3.5 impacting Minnesota. In conducting its work, the ~~administrator~~ office shall provide
3.6 assistance to the commissioner and the commission, as requested, in administering
3.7 and implementing the department's duties under this section and sections 216B.1612,
3.8 216B.1691, 216B.2422, 216B.2425, and 216B.243; chapters 216E, 216F, and 216G; and
3.9 rules associated with ~~those provisions~~ these sections and shall also:

3.10 (1) model and monitor in the state as well as regionally, nationally, and
3.11 internationally, as appropriate, the use and operation of the energy infrastructure ~~in~~
3.12 ~~the state, including~~ which includes generation facilities, transmission lines, natural gas
3.13 pipelines, new and emerging energy technologies, demand response and energy efficiency
3.14 technologies, and other energy infrastructure;

3.15 (2) develop and present to the commissioner and the commission ~~and parties~~
3.16 ~~technical advice and~~ analyses of on proposed infrastructure projects, ~~and provide technical~~
3.17 ~~advice to the commission~~ within and outside of the state that could impact the state;

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

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

3.24 (c) The ~~administrator may not advocate for any particular outcome in a commission~~
3.25 ~~proceeding, but~~ office may give policy or technical advice to the commission as to the
3.26 impact on the reliability and economic viability of the energy system of a particular project
3.27 or projects of any state, region, or nation.

3.28 Subd. 2. **Administrative issues.** (a) ~~The commissioner may select the administrator.~~
3.29 ~~The administrator must have at least five years of experience working as a power systems~~
3.30 ~~engineer or transmission planner, or in a position dealing with power system reliability~~
3.31 ~~issues, and may not have been a party or a participant in a commission energy proceeding~~
3.32 ~~for at least one year prior to selection by the commissioner.~~ The commissioner shall
3.33 oversee and direct the work of the administrator office, annually review ~~the~~ its expenses
3.34 ~~of the administrator~~, and annually approve ~~the~~ its budget ~~of the administrator.~~ The
3.35 ~~administrator~~ commissioner may hire staff and may contract for technical expertise in
3.36 performing duties when existing state resources are required for other state responsibilities

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4.1 or when special expertise is required. ~~The salary of the administrator is governed by~~
4.2 ~~section 15A.0815, subdivision 2.~~

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

4.7 (c) The Department of Commerce shall pay:

4.8 (1) the general administrative costs of the administrator office, not to exceed
4.9 \$1,000,000 in a fiscal year, and shall assess energy utilities for those administrative costs.
4.10 These costs must be consistent with the budget approved by the commissioner under
4.11 paragraph (a). The department shall apportion the costs among all energy utilities in
4.12 proportion to their respective gross operating revenues from sales of gas or electric service
4.13 within the state during the last calendar year, and shall then render a bill to each utility on
4.14 a regular basis; and

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

4.19 (d) For purposes of administrative efficiency, the department shall assess energy
4.20 utilities and issue bills in accordance with the billing and assessment procedures provided
4.21 in section 216B.62, to the extent that these procedures do not conflict with this subdivision.
4.22 The amount of the bills rendered by the department under paragraph (c) must be paid by
4.23 the energy utility into an account in the special revenue fund in the state treasury within
4.24 30 days from the date of billing and is appropriated to the department for the purposes
4.25 provided in this section. The commission shall approve or approve as modified a rate
4.26 schedule providing for the automatic adjustment of charges to recover amounts paid by
4.27 utilities under this section. All amounts assessed under this section are in addition to
4.28 amounts appropriated to the commission and the department by other law.

4.29 ~~Subd. 4. **Expiration.** Subdivisions 1 and 2 expire June 30, 2012. Subdivision~~
4.30 ~~3 expires June 30, 2008.~~

4.31 **Sec. 4. REVISOR'S INSTRUCTION.**

4.32 The revisor of statutes shall renumber Minnesota Statutes, section 216C.052, as
4.33 Minnesota Statutes, section 216A.14, and also make necessary cross-reference changes
4.34 consistent with this renumbering.

5.1 Sec. 5. **REPEALER.**

5.2 Minnesota Statutes 2010, section 216A.085, is repealed.