

**SENATE  
STATE OF MINNESOTA  
NINETY-THIRD SESSION**

**S.F. No. 2505**

(SENATE AUTHORS: HOFFMAN and Abeler)

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Introduction and first reading  
Referred to Energy, Utilities, Environment, and Climate

OFFICIAL STATUS

1.1 A bill for an act  
1.2 relating to energy; modifying Public Utility Commission authority to modify or  
1.3 delay implementation of standard obligations; establishing separate carbon-free  
1.4 standard obligations for public utilities and other electric utilities; amending  
1.5 Minnesota Statutes 2022, section 216B.1691, subdivisions 2b, as amended, 2g, as  
1.6 added.

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

1.8 Section 1. Minnesota Statutes 2022, section 216B.1691, subdivision 2b, as amended by  
1.9 Laws 2023, chapter 7, section 6, is amended to read:

1.10 Subd. 2b. **Modification or delay of standard.** (a) The commission shall modify or delay  
1.11 the implementation of a standard obligation under subdivision 2a, 2f, or 2g, in whole or in  
1.12 part, if the commission determines that modifying or delaying the standard obligation is in  
1.13 the public interest. The commission, when evaluating a request to modify or delay  
1.14 implementation of a standard, must consider:

1.15 (1) the impact of implementing the standard on its customers' utility costs, including the  
1.16 economic and competitive pressure on the utility's customers;

1.17 (2) the environmental costs that would be incurred as a result of a delay or modification,  
1.18 based on the full range of environmental cost values established in section 216B.2422,  
1.19 subdivision 3;

1.20 (3) the effects of implementing the standard on the reliability of the electric system;

1.21 (4) technical advances or technical concerns;

1.22 (5) delays in acquiring sites or routes due to rejection or delays of necessary siting or  
1.23 other permitting approvals;

2.1 (6) delays, cancellations, or nondelivery of necessary equipment for construction or  
2.2 commercial operation of an eligible energy technology facility;

2.3 (7) transmission constraints preventing delivery of service;

2.4 (8) other statutory obligations imposed on the commission or a utility;

2.5 (9) impacts on environmental justice areas; and

2.6 (10) additional electric load from beneficial electrification and the greenhouse gas  
2.7 emissions savings associated with those loads as compared to serving the load with  
2.8 nonelectric energy sources.

2.9 For the purposes of this paragraph, "beneficial electrification" means the substitution of  
2.10 electricity for a fossil fuel, provided that the substitution meets at least one of the following  
2.11 conditions without adversely affecting either of the other two, as determined by the  
2.12 commission:

2.13 (i) saves a consumer money over the long run compared with continued use of the fossil  
2.14 fuel;

2.15 (ii) enables an electric utility to better manage the electric utility's electric grid network;  
2.16 or

2.17 (iii) reduces negative environmental impacts of fuel use, including but not limited to  
2.18 statewide greenhouse gas emissions.

2.19 (b) For a public utility, the commission may modify or delay implementation of a standard  
2.20 obligation under paragraph (a), clauses (1) to (4), only if ~~if~~ the commission finds  
2.21 implementation would cause significant rate impact, requires significant measures to address  
2.22 reliability, or raises significant technical issues. For a public utility, the commission may  
2.23 modify or delay implementation of a standard obligation under paragraph (a), clauses (5)  
2.24 to (7), only if ~~if~~ the commission finds that the circumstances described in ~~those~~ paragraph  
2.25 (a), clauses (5) to (7), were due to circumstances beyond ~~an electric a public~~ a public utility's control  
2.26 and make compliance ~~not feasible~~ infeasible.

2.27 (c) For an electric utility other than a public utility, the commission must modify or  
2.28 delay implementation of a standard obligation under paragraph (a), clauses (1) to (4), if the  
2.29 commission finds implementation would cause significant rate impact, requires significant  
2.30 measures to address reliability, or raises significant technical issues. For an electric utility  
2.31 other than a public utility, the commission must modify or delay implementation of a standard  
2.32 obligation under paragraph (a), clauses (5) to (7), if the commission finds that the

3.1 circumstances described in paragraph (a), clauses (5) to (7), were due to circumstances  
 3.2 beyond an electric utility's control and make compliance infeasible.

3.3 ~~(e)~~ (d) When evaluating transmission capacity constraints under paragraph (a), clause  
 3.4 (7), the commission must consider whether the utility has:

3.5 (1) taken reasonable measures that are under the utility's control and consistent with the  
 3.6 utility's obligations under local, state, and federal laws and regulations, and the utility's  
 3.7 obligations as a member of a regional transmission organization or independent system  
 3.8 operator, to acquire sites, necessary permit approvals, and necessary equipment to develop  
 3.9 and construct new transmission lines or upgrade existing transmission lines to transmit  
 3.10 electricity generated by eligible energy technologies; and

3.11 (2) taken all reasonable operational measures to maximize cost-effective electricity  
 3.12 delivery from eligible energy technologies in advance of transmission availability.

3.13 ~~(d)~~ (e) When considering whether to delay or modify implementation of a standard  
 3.14 obligation, the commission must give due consideration to a preference for electric generation  
 3.15 through use of eligible energy technology and to the achievement of the standards set by  
 3.16 this section.

3.17 ~~(e)~~ (f) An electric utility that requests a modification or delay to the implementation of  
 3.18 a standard must file a plan to comply with the electric utility's standard obligation as part  
 3.19 of the same proceeding in which the electric utility requests the modification or delay.

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

3.21 Sec. 2. Minnesota Statutes 2022, section 216B.1691, subdivision 2g, as added by Laws  
 3.22 2023, chapter 7, section 10, is amended to read:

3.23 Subd. 2g. **Carbon-free standard.** In addition to the requirements under subdivisions  
 3.24 2a and 2f, each electric utility must generate or procure sufficient electricity generated from  
 3.25 a carbon-free energy technology to provide the electric utility's retail customers in Minnesota,  
 3.26 or the retail customers of a distribution utility to which the electric utility provides wholesale  
 3.27 electric service, so that the electric utility generates or procures an amount of electricity  
 3.28 from carbon-free energy technologies that is equivalent to at least the following standard  
 3.29 percentages of the electric utility's total retail electric sales to retail customers in Minnesota  
 3.30 by the end of the year indicated:

3.31	(1)	2030	80 percent for public utilities; 60 percent for
3.32			other electric utilities
3.33	(2)	2035	90 percent for <del>all electric</del> <u>public</u> utilities

4.1 (3) 2040 100 percent for ~~all electric~~ public utilities; 80  
4.2 percent for other electric utilities

4.3 (4) 2050 100 percent for other electric utilities.

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