

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

S.F. No. 2757

(SENATE AUTHORS: MCEWEN)

DATE
03/09/2023

D-PG
1472

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

1.1 A bill for an act
1.2 relating to energy; modifying provisions governing cogeneration; amending
1.3 Minnesota Statutes 2022, section 216B.164, subdivision 4.

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

1.5 Section 1. Minnesota Statutes 2022, section 216B.164, subdivision 4, is amended to read:

1.6 Subd. 4. **Purchases; wheeling; costs.** (a) Except as otherwise provided in paragraph
1.7 (c), this subdivision shall apply to all qualifying facilities having 40-kilowatt capacity or
1.8 more as well as qualifying facilities as defined in subdivision 3 and net metered facilities
1.9 under subdivision 3a, if interconnected to a cooperative electric association or municipal
1.10 utility, or 1,000-kilowatt capacity or more if interconnected to a public utility, which elect
1.11 to be governed by its provisions.

1.12 (b) The utility to which the qualifying facility is interconnected shall purchase all energy
1.13 and capacity made available by the qualifying facility. ~~The~~ For a qualifying facility with a
1.14 capacity between 1,000 kilowatts and 5,000 kilowatts of both wind and solar that is
1.15 interconnected with a public utility at a single point of interconnection, the public utility
1.16 must purchase all energy and capacity made available by the qualifying facility at 60 percent
1.17 of the public utility's current average residential retail rate plus 100 percent of the energy/fuel
1.18 adjustment charge. A qualifying facility with a capacity over 5,000 kilowatts shall be paid
1.19 the utility's full avoided capacity and energy costs as negotiated by the parties, as set by the
1.20 commission, or as determined through competitive bidding approved by the commission.
1.21 The full avoided capacity and energy costs to be paid a qualifying facility with a capacity
1.22 over 5,000 kilowatts that generates electric power by means of a renewable energy source
1.23 are the utility's least cost renewable energy facility or the bid of a competing supplier of a

2.1 least cost renewable energy facility, whichever is lower, unless the commission's resource
2.2 plan order, under section 216B.2422, subdivision 2, provides that the use of a renewable
2.3 resource to meet the identified capacity need is not in the public interest.

2.4 (c) For all qualifying facilities having 30-kilowatt capacity or more, the utility shall, at
2.5 the qualifying facility's or the utility's request, provide wheeling or exchange agreements
2.6 wherever practicable to sell the qualifying facility's output to any other Minnesota utility
2.7 having generation expansion anticipated or planned for the ensuing ten years. The
2.8 commission shall establish the methods and procedures to insure that except for reasonable
2.9 wheeling charges and line losses, the qualifying facility receives the full avoided energy
2.10 and capacity costs of the utility ultimately receiving the output.

2.11 (d) The commission shall set rates for electricity generated by renewable energy.