

CHAPTER 216C

ENERGY PLANNING AND CONSERVATION

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216C.03 STATE GOVERNMENT ENERGY SAVINGS PLAN.

The commissioner of commerce, in coordination with the commissioners of the agencies listed in section 15.01, the chancellor of the Minnesota State Colleges and Universities, and the president of the University of Minnesota, shall identify policy options, barriers, and economic benefits and costs for state government operations to achieve the energy savings goals in section 216B.2401 and the resulting carbon emission reductions. The commissioner of commerce must issue a report to the legislature by February 1, 2008.

History: 2007 c 136 art 2 s 7

216C.05 FINDINGS AND PURPOSE.

Subdivision 1. **Energy planning.** The legislature finds and declares that continued growth in demand for energy will cause severe social and economic dislocations, and that the state has a vital interest in providing for: increased efficiency in energy consumption, the development and use of renewable energy resources wherever possible, and the creation of an effective energy forecasting, planning, and education program.

The legislature further finds and declares that the protection of life, safety, and financial security for citizens during an energy crisis is of paramount importance.

Therefore, the legislature finds that it is in the public interest to review, analyze, and encourage those energy programs that will minimize the need for annual increases in fossil fuel consumption by 1990 and the need for additional electrical generating plants, and provide for an optimum combination of energy sources consistent with environmental protection and the protection of citizens.

The legislature intends to monitor, through energy policy planning and implementation, the transition from historic growth in energy demand to a period when demand for traditional fuels becomes stable and the supply of renewable energy resources is readily available and adequately utilized.

Subd. 2. **Energy policy goals.** It is the energy policy of the state of Minnesota that:

(1) the per capita use of fossil fuel as an energy input be reduced by 15 percent by the year 2015, through increased reliance on energy efficiency and renewable energy alternatives; and

(2) 25 percent of the total energy used in the state be derived from renewable energy resources by the year 2025.

History: 2007 c 136 art 1 s 2

216C.051 LEGISLATIVE ELECTRIC ENERGY TASK FORCE.

Subd. 2. **Establishment.** (a) There is established a Legislative Electric Energy Task Force to study future electric energy sources and costs and to make recommendations for legislation for an environmentally and economically sustainable and advantageous electric energy supply.

(b) The task force consists of:

(1) ten members of the house of representatives including the chairs of the Environment and Natural Resources Committee and the Energy Finance and Policy Division and eight

members to be appointed by the speaker of the house, four of whom must be from the minority caucus; and

(2) ten members of the senate including the chairs of the Environment, Energy and Natural Resources Budget Division and Energy, Utilities, Technology and Communications committees and eight members to be appointed by the Subcommittee on Committees, four of whom must be from the minority caucus.

(c) The task force may employ staff, contract for consulting services, and may reimburse the expenses of persons requested to assist it in its duties other than state employees or employees of electric utilities. The director of the Legislative Coordinating Commission shall assist the task force in administrative matters. The task force shall elect cochairs, one member of the house and one member of the senate from among the committee and subcommittee chairs named to the committee. The task force members from the house shall elect the house cochair, and the task force members from the senate shall elect the senate cochair.

[For text of subs 3 to 8, see M.S.2006]

Subd. 8a. **Manitoba Hydro information.** (a) By January 1, 2008, and each year thereafter, the task force shall request the Manitoba Hydro–Electric Board to provide the following information for each community that is a signatory to the Northern Flood Agreement, including South Indian Lake:

(1) median household income and number of residents employed full time and part time;

(2) the number of outstanding claims filed against Manitoba Hydro by individuals and communities and the number of claims settled by Manitoba Hydro; and

(3) the amount of shoreline damaged by flooding and erosion and the amount of shoreline restored and cleaned.

(b) Nothing in this section shall be construed as a directive to the government of Canada or the province of Manitoba.

(c) For the purposes of this subdivision, “Northern Flood Agreement” means the agreement entered into by the Northern Flood Committee, Incorporated, the Manitoba Hydro–Electric Board, the province of Manitoba, and the government of Canada on December 16, 1977.

Subd. 9. **Expiration.** This section is repealed June 30, 2010.

History: 2007 c 57 art 2 s 24–26; 2007 c 136 art 3 s 2

216C.052 RELIABILITY ADMINISTRATOR.

Subdivision 1. **Responsibilities.** (a) There is established the position of reliability administrator in the Department of Commerce. The administrator shall act as a source of independent expertise and a technical advisor to the commissioner, the commission and the public on issues related to the reliability of the electric system. In conducting its work, the administrator shall provide assistance to the commissioner in administering and implementing the department’s duties under sections 216B.1612, 216B.1691, 216B.2422, 216B.2425, and 216B.243; chapters 216E, 216F, and 216G; and rules associated with those provisions and shall 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.

Subd. 2. Administrative issues. (a) The commissioner may select the administrator. The administrator must have at least five years of experience working as a power systems engineer or transmission planner, or in a position dealing with power system reliability issues, and 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. The commissioner shall oversee and direct the work of the administrator, annually review the expenses of the administrator, and annually approve the budget of the administrator. 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 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 under paragraph (a). The department 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 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 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 department 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 may assess utilities, using the mechanism specified in that subdivision, up to an additional \$500,000 annually through June 30, 2008. The amounts assessed under this subdivision are appropriated to the commissioner, 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. Subdivisions 1 and 2 expire June 30, 2012. Subdivision 3 expires June 30, 2008.

History: 2007 c 136 art 4 s 11

216C.27 Subdivision 1. [Repealed, 2007 c 136 art 3 s 7]

Subd. 2. [Repealed, 2007 c 136 art 3 s 7]

Subd. 3. [Repealed, 2007 c 136 art 3 s 7]

Subd. 4. [Repealed, 2007 c 136 art 3 s 7]

Subd. 5. [Repealed, 2007 c 136 art 3 s 7]

Subd. 6. [Repealed, 2007 c 136 art 3 s 7]

Subd. 7. [Repealed, 2007 c 136 art 3 s 7]

216C.30 ENFORCEMENT; PENALTIES, REMEDIES.

[For text of subs 1 to 4, see M.S.2006]

Subd. 5. [Repealed, 2007 c 136 art 3 s 7]

216C.31 ENERGY AUDIT PROGRAMS.

The commissioner shall develop state programs of energy audits of residential and commercial buildings including the training and qualifications necessary for the auditing of residential and commercial buildings under the auspices of a program created under section 216B.241.

History: 2007 c 136 art 3 s 3

216C.385 CLEAN ENERGY RESOURCE TEAMS.

Subdivision 1. **Findings.** The legislature finds that community-based energy programs are an effective means of implementing improved energy practices including conservation, greater efficiency in energy use, and the production and use of renewable resources such as wind, solar, biomass, and biofuels. Further, community-based energy programs are found to be a public purpose for which public money may be spent.

Subd. 2. **Mission, organization, and membership.** The clean energy resource teams (CERT's) project is an innovative state, university, and nonprofit partnership that serves as a catalyst for community energy planning and projects. The mission of CERT's is to give citizens a voice in the energy planning process by connecting them with the necessary technical resources to identify and implement community-scale renewable energy and energy efficiency projects. In 2003, the Department of Commerce designated the CERT's project as a statewide collaborative venture and recognized six regional teams based on their geography: Central, Northeast, Northwest, Southeast, Southwest, and West-Central. Membership of CERT's may include but is not limited to representatives of utilities; federal, state, and local governments; small business; labor; senior citizens; academia; and other interested parties. The Department of Commerce may certify additional clean energy resource teams by regional geography, including teams in the Twin Cities metropolitan area.

Subd. 3. **Powers and duties.** In order to develop and implement community-based energy programs, a clean energy resource team may:

- (1) analyze social and economic impacts caused by energy expenditures;
- (2) analyze regional renewable and energy efficiency resources and opportunities;
- (3) link community members and community energy projects to the knowledge and capabilities of the University of Minnesota, the State Energy Office, nonprofit organizations, and regional community members, among others;
- (4) plan, set priorities for, provide technical assistance to, and catalyze local energy efficiency and renewable energy projects that help to meet state energy policy goals and maximize local economic development opportunities;
- (5) provide a broad-based resource and communications network that links local, county, and regional energy efficiency and renewable energy project efforts around the state (both interregional and intraregional);
- (6) seek, accept, and disburse grants and other aids from public or private sources for purposes authorized in this subdivision;

(7) provide a convening and networking function within CERT's regions to facilitate education, knowledge formation, and project replication; and

(8) exercise other powers and duties imposed on it by statute, charter, or ordinance.

Subd. 4. **Department assistance.** The commissioner, via the clean energy resource teams, may provide professional, technical, organizational, and financial assistance to regions and communities to develop and implement community energy programs and projects, within available resources.

History: 2007 c 57 art 2 s 27

216C.39 RURAL WIND ENERGY DEVELOPMENT REVOLVING LOAN FUND.

Subdivision 1. **Establishment.** A rural wind energy development revolving loan fund is established as an account in the special revenue fund in the state treasury. The commissioner of finance shall credit to the account the amounts authorized under this section and appropriations and transfers to the account. Earnings, such as interest, dividends, and any other earnings arising from fund assets, must be credited to the account.

Subd. 2. **Purpose.** The rural wind energy development revolving loan fund is created to provide financial assistance, through partnership with local owners and communities, in developing community wind energy projects that meet the specifications of section 216B.1612, subdivision 2, paragraph (f).

Subd. 3. **Expenditures.** Money in the fund is appropriated to the commissioner of commerce, and may be used to make loans to qualifying owners of wind energy projects, as defined in section 216B.1612, subdivision 2, paragraph (f), to assist in funding wind studies and transmission interconnection studies. The loans must be structured for repayment within 30 days after the project begins commercial operations or two years from the date the loan is issued, whichever is sooner. The commissioner may pay reasonable and actual costs of administering the loan program, not to exceed interest earned on fund assets.

Subd. 4. **Limitations.** A loan may not be approved for an amount exceeding \$100,000. This limit applies to all money loaned to a single project or single entity, whether paid to one or more qualifying owners and whether paid in one or more fiscal years.

Subd. 5. **Administration; eligible projects.** (a) Applications for a loan under this section must be made in a manner and on forms prescribed by the commissioner. Loans to eligible projects must be made in the order in which complete applications are received by the commissioner. Loan funds must be disbursed to an applicant within ten days of submission of a payment request by the applicant that demonstrates a payment due to the Midwest Independent System Operator. Interest payable on the loan amount may not exceed 1.5 percent per annum.

(b) A project is eligible for a loan under this program if:

(1) the project has completed an adequate interconnection feasibility study that indicates the project may be interconnected with system upgrades of less than ten percent of the estimated project costs;

(2) the project has a signed power purchase agreement with an electric utility or provides evidence that the project is under serious consideration for such an agreement by an electric utility;

(3) the ownership and structure of the project allows it to qualify as a community-based energy development (C-BED) project under section 216B.1612, and the developer commits to obtaining and maintaining C-BED status; and

(4) the commissioner has determined that sufficient funds are available to make a loan to the project.

History: 2007 c 57 art 2 s 28

216C.41 RENEWABLE ENERGY PRODUCTION INCENTIVE.

[For text of subs 1 and 2, see M.S.2006]

Subd. 3. **Eligibility window.** Payments may be made under this section only for:

(a) electricity generated from:

(1) a qualified hydroelectric facility that is operational and generating electricity before December 31, 2009;

(2) a qualified wind energy conversion facility that is operational and generating electricity before January 1, 2008; or

(3) a qualified on-farm biogas recovery facility from July 1, 2001, through December 31, 2017; and

(b) gas generated from a qualified on-farm biogas recovery facility from July 1, 2007, through December 31, 2017.

[For text of subds 4 to 7, see M.S.2006]

History: 2007 c 57 art 2 s 29