

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

S.F. No. 3055

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DATE
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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; establishing the A+ Energy Act; amending Minnesota Statutes
1.3 2022, sections 216B.01; 216B.1691, subdivisions 1, as amended, 2e, as amended;
1.4 216B.243, subdivisions 3b, 8, as amended.

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

1.6 Section 1. **SHORT TITLE.**

1.7 This act may be cited as the "A+ Energy Act."

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

1.9 Sec. 2. Minnesota Statutes 2022, section 216B.01, is amended to read:

1.10 **216B.01 LEGISLATIVE FINDINGS.**

1.11 It is the policy of this state to preserve a safe, reliable, and affordable energy system that
1.12 facilitates the use of all available energy options. It is hereby declared to be in the public
1.13 interest that public utilities be regulated as hereinafter provided in order to provide the retail
1.14 consumers of natural gas and electric service in this state with adequate and reliable services
1.15 at reasonable rates, consistent with the financial and economic requirements of public utilities
1.16 and their need to construct facilities to provide such services or to otherwise obtain energy
1.17 supplies, to avoid unnecessary duplication of facilities which increase the cost of service
1.18 to the consumer and to minimize disputes between public utilities which may result in
1.19 inconvenience or diminish efficiency in service to the consumers. Because municipal utilities
1.20 are presently effectively regulated by the residents of the municipalities which own and
1.21 operate them, and cooperative electric associations are presently effectively regulated and
1.22 controlled by the membership under the provisions of chapter 308A, it is deemed unnecessary

2.1 to subject such utilities to regulation under this chapter except as specifically provided
2.2 herein.

2.3 Sec. 3. Minnesota Statutes 2022, section 216B.1691, subdivision 1, as amended by Laws
2.4 2023, chapter 7, section 3, is amended to read:

2.5 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have
2.6 the meaning given them.

2.7 (b) "Carbon-free" means a technology that generates electricity without emitting carbon
2.8 dioxide.

2.9 (c) Unless otherwise specified in law, "eligible energy technology" means an energy
2.10 technology that generates electricity from the following renewable energy sources:

2.11 (1) solar;

2.12 (2) wind;

2.13 (3) hydroelectric with a capacity of: ~~(i) less than 100 megawatts; or (ii) 100 megawatts~~
2.14 ~~or more, provided that the facility is in operation as of the effective date of this act;~~

2.15 (4) hydrogen generated from the resources listed in this paragraph; ~~or~~

2.16 (5) biomass, which includes, without limitation, landfill gas; an anaerobic digester
2.17 system; the predominantly organic components of wastewater effluent, sludge, or related
2.18 by-products from publicly owned treatment works, but not including incineration of
2.19 wastewater sludge to produce electricity; and, except as provided in subdivision 1a, an
2.20 energy recovery facility used to capture the heat value of mixed municipal solid waste or
2.21 refuse-derived fuel from mixed municipal solid waste as a primary fuel; or

2.22 (6) nuclear.

2.23 (d) "Electric utility" means: (1) a public utility providing electric service; (2) a generation
2.24 and transmission cooperative electric association; (3) a municipal power agency; (4) a power
2.25 district; or (5) a cooperative electric association or municipal utility providing electric service
2.26 that is not a member of an entity in clauses (2) to (4).

2.27 (e) "Environmental justice area" means an area in Minnesota that, based on the most
2.28 recent data published by the United States Census Bureau, meets one or more of the following
2.29 criteria:

2.30 (1) 40 percent or more of the area's total population is nonwhite;

3.1 (2) 35 percent or more of households in the area have an income that is at or below 200
3.2 percent of the federal poverty level;

3.3 (3) 40 percent or more of the area's residents over the age of five have limited English
3.4 proficiency; or

3.5 (4) the area is located within Indian country, as defined in United State Code, title 18,
3.6 section 1151.

3.7 (f) "Total retail electric sales" means the kilowatt-hours of electricity sold in a year by
3.8 an electric utility to retail customers of the electric utility or to a distribution utility for
3.9 distribution to the retail customers of the distribution utility.

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

3.11 Sec. 4. Minnesota Statutes 2022, section 216B.1691, subdivision 2e, as amended by Laws
3.12 2023, chapter 7, section 8, is amended to read:

3.13 Subd. 2e. **Rate impact of standard compliance; report.** (a) Each electric utility must
3.14 submit to the commission and the legislative committees with primary jurisdiction over
3.15 energy policy a report containing an estimation of the rate impact of activities of the electric
3.16 utility necessary to comply with this section. In consultation with the Department of
3.17 Commerce, the commission shall determine a uniform reporting system to ensure that
3.18 individual utility reports are consistent and comparable, and shall, by order, require each
3.19 electric utility subject to this section to use that reporting system. The rate impact estimate
3.20 must be for wholesale rates and, if the electric utility makes retail sales, the estimate shall
3.21 also be for the impact on the electric utility's retail rates. Those activities include, without
3.22 limitation, energy purchases, generation facility acquisition and construction, and
3.23 transmission improvements. A report must be updated and submitted as part of each
3.24 integrated resource plan or plan modification filed by the electric utility under section
3.25 216B.2422. The reporting obligation of an electric utility under this subdivision expires
3.26 December 31, 2040.

3.27 (b) A report submitted under this subdivision must include an explanation of the electric
3.28 utility's efforts to reduce carbon dioxide emissions and increase the use of renewable energy
3.29 in the electric utility's operations in a manner that does not adversely affect customer costs
3.30 or the reliability of electric service to Minnesotans.

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

4.1 Sec. 5. Minnesota Statutes 2022, section 216B.243, subdivision 3b, is amended to read:

4.2 Subd. 3b. **Nuclear power plant; new construction prohibited; relicensing.** ~~(a) The~~
4.3 ~~commission may not issue a certificate of need for the construction of a new nuclear-powered~~
4.4 ~~electric generating plant.~~

4.5 ~~(b)~~ Any certificate of need for additional storage of spent nuclear fuel for a facility
4.6 seeking a license extension shall address the impacts of continued operations over the period
4.7 for which approval is sought.

4.8 Sec. 6. Minnesota Statutes 2022, section 216B.243, subdivision 8, as amended by Laws
4.9 2023, chapter 7, section 23, is amended to read:

4.10 Subd. 8. **Exemptions.** (a) This section does not apply to:

4.11 (1) cogeneration or small power production facilities as defined in the Federal Power
4.12 Act, United States Code, title 16, section 796, paragraph (17), subparagraph (A), and
4.13 paragraph (18), subparagraph (A), and having a combined capacity at a single site of less
4.14 than 80,000 kilowatts; plants or facilities for the production of ethanol or fuel alcohol; or
4.15 any case where the commission has determined after being advised by the attorney general
4.16 that its application has been preempted by federal law;

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

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

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

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

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

4.30 (7) a large wind energy conversion system, as defined in section 216F.01, subdivision
4.31 2, or a solar energy generating system, as defined in section 216E.01, subdivision 9a, if the

5.1 system is owned and operated by an independent power producer and the electric output of
5.2 the system:

5.3 (i) is not sold to an entity that provides retail service in Minnesota or wholesale electric
5.4 service to another entity in Minnesota other than an entity that is a federally recognized
5.5 regional transmission organization or independent system operator; or

5.6 (ii) is sold to an entity that provides retail service in Minnesota or wholesale electric
5.7 service to another entity in Minnesota other than an entity that is a federally recognized
5.8 regional transmission organization or independent system operator, provided that the system
5.9 represents solar or wind capacity that the entity purchasing the system's electric output was
5.10 ordered by the commission to develop in the entity's most recent integrated resource plan
5.11 approved under section 216B.2422; ~~or~~

5.12 (8) a large wind energy conversion system, as defined in section 216F.01, subdivision
5.13 2, or a solar energy generating system that is a large energy facility, as defined in section
5.14 216B.2421, subdivision 2, engaging in a repowering project that:

5.15 (i) will not result in the system exceeding the nameplate capacity under its most recent
5.16 interconnection agreement; or

5.17 (ii) will result in the system exceeding the nameplate capacity under its most recent
5.18 interconnection agreement, provided that the Midcontinent Independent System Operator
5.19 has provided a signed generator interconnection agreement that reflects the expected net
5.20 power increase;

5.21 (9) a nuclear-powered electric generating plant;

5.22 (10) a hydroelectric generating facility; or

5.23 (11) a biomass electric generating facility.

5.24 (b) For the purpose of this subdivision, "repowering project" means:

5.25 (1) modifying a large wind energy conversion system or a solar energy generating system
5.26 that is a large energy facility to increase its efficiency without increasing its nameplate
5.27 capacity;

5.28 (2) replacing turbines in a large wind energy conversion system without increasing the
5.29 nameplate capacity of the system; or

5.30 (3) increasing the nameplate capacity of a large wind energy conversion system.

5.31 (c) The exemptions under paragraph (a), clauses (9) to (11), do not apply if the
5.32 commission determines that the exemption is not in the public interest.

6.1 **EFFECTIVE DATE.** This section is effective the day following final enactment and
6.2 applies to a large wind energy conversion system, a solar energy generating system, a
6.3 nuclear-powered electric generating plant, a hydroelectric generating facility, or a biomass
6.4 electric generating facility whose owner has filed an application for a certificate of need
6.5 with the Public Utilities Commission on or after that date.