

**SENATE
STATE OF MINNESOTA
NINETIETH SESSION**

S.F. No. 3504

(SENATE AUTHORS: MATHEWS, Anderson, B., Osmek, Hoffman and Senjem)

DATE	D-PG	OFFICIAL STATUS
03/15/2018		Introduction and first reading Referred to Energy and Utilities Finance and Policy

1.1 A bill for an act

1.2 relating to energy; establishing a carbon reduction facility designation for certain

1.3 large electric generating facilities; proposing coding for new law in Minnesota

1.4 Statutes, chapter 216B.

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

1.6 Section 1. **[216B.1697] CARBON REDUCTION FACILITIES; NUCLEAR ENERGY.**

1.7 Subdivision 1. **Qualifying facility.** A carbon reduction facility is an existing large electric

1.8 generating power plant that employs nuclear technology to generate electricity.

1.9 Subd. 2. **Proposal submission.** (a) A public utility may submit to the Public Utilities

1.10 Commission a proposal to designate a carbon reduction facility under this section. The

1.11 proposal must:

1.12 (1) demonstrate that the facility meets the requirements of subdivision 1; and

1.13 (2) include a proposed statement of the total expected costs, including but not limited

1.14 to capital investments and operation and maintenance costs associated with the facility's

1.15 operation.

1.16 (b) If the information submitted in the original proposal changes, a utility may at its sole

1.17 discretion and at any time file additional proposals for the same facility.

1.18 Subd. 3. **Proposal approval.** (a) The commission must approve or reject the proposed

1.19 facility designation and the total expected costs submitted by the public utility. The

1.20 commission must make a final determination on the petition within ten months of the filing

1.21 date.

2.1 (b) With respect to any carbon reduction facility, approval by the Public Utilities
2.2 Commission constitutes a finding of prudence for the proposal's total costs. The utility is
2.3 entitled to recover any documented costs that do not exceed the costs provided in the carbon
2.4 reduction facility designation proposal using the carbon reduction rider under subdivision
2.5 4 or a subsequent rate case.

2.6 (c) If additional proposals are filed for a single facility, the commission must treat each
2.7 proposal the same as an original proposal under this section.

2.8 Subd. 4. **Carbon reduction rider.** A public utility may annually petition the commission
2.9 to approve a carbon reduction rider to recover a qualifying facility's total costs outside of a
2.10 general rate case proceeding under section 216B.16. In the filing, the public utility must
2.11 describe the costs the public utility seeks for rider recovery.

2.12 Subd. 5. **Rider approval.** (a) The commission may approve, modify and approve, or
2.13 reject the proposed carbon reduction rider.

2.14 (b) The commission may approve a rider that:

2.15 (1) allows the utility to recover the facility's total costs;

2.16 (2) allows an appropriate return on investment associated with the facility;

2.17 (3) allocates appropriately between wholesale and retail customers; and

2.18 (4) recovers costs from retail customer classes in proportion to class energy consumption.