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S.F. No. 4269 – Omnibus Energy and Utilities Policy and Finance (1st Engrossment)

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Section 1 (Senjem amendment) allows Xcel Energy to select members and design a request for proposal for the renewable development account advisory group. Specifies that the costs to administer the advisory group and for a third-party expert is capped at a yearly withholding from transfer of \$150,000.

Section 2 (S.F. 4119, Senjem) adds \$5,000,000 per year in 2023 and 2024 to the current allocations to total \$10,000,000 for each of those years, and then allocates \$10,000,000 in 2025 to add an additional year of funding for the solar energy production incentive program (known as Solar Rewards).

Sections 3 and 4 (S.F. 3715, Mathews) modifies the definition of “eligible community” for the purposes of the grant program to include a community that hosts an electric generating plant whose current operating license will expire within 15 years of the effective date of the section. Eliminates the requirement that grants be awarded through a competitive process. Clarifies that an eligible community may receive a grant award of up to \$500,000 per calendar year. Allows the commissioner of employment and economic development to accept grant applications on an ongoing or rolling basis.

Sections 5 and 23 (S.F. 4269, Senjem) modifies due dates for reports on utility customer disconnections under the cold weather rule and the telecommunications access report.

Section 6 (Rarick amendment) requires a major utility facility that is a wind or solar electric generating facility with a capacity of 50 megawatts or more to obtain local approval in addition to any other approvals required.

Section 7 (S.F. 225, Kiffmeyer) abolishes the prohibition that the Public Utilities Commission may not issue a certificate of need for the construction of a new nuclear-powered electric generating plant.

Sections 8 to 16 (S.F. 4262, Senjem) provides a process for the issuance of a financing order by the Public Utilities Commission to enable a natural gas utility to recover extraordinary event costs through the issuance of extraordinary event bonds.

Section 17 (S.F. 3225, Senjem) increases the acquisition cost limit that require Public Utilities Commission approval from \$100,000 to \$1,000,000.

Section 18 (S.F. 4089, Senjem) specifies that \$8,000,000 will be withheld in 2024 from transfer to the renewable development account by Xcel Energy for the solar for schools program.

Sections 19 to 21 (S.F. 3060, Weber) adds farmland to the definition of “qualifying commercial real property” for purposes of the commercial PACE loan program. Reflects that “land and water improvements” are included in the program. Requires notice and written consent from the mortgage lender prior to financing improvements or imposing any assessment on qualifying commercial real property.

Section 22 (S.F. 3661, Benson) sets forth a state carbon capture policy.

Section 24 (S.F. 2185, Kiffmeyer) prohibits political subdivisions from banning or preventing a utility from connecting or supplying natural gas or propane to a building or utility customer.

Section 25 (S.F. 3715, Mathews) amends 2020 session law to extend the availability of a fiscal year 2021 appropriation for the grant program until June 30, 2025.

Section 26 reduces the total appropriation to the Department of Commerce by \$500,000 each year in FY2022 and FY2023 for amounts that will now be withheld by Xcel Energy for costs to administer the renewable development account advisory group and for third-party experts.

Section 27 (S.F. 4163, Mathews) requires the commissioner of commerce to conduct an advanced nuclear study.

Section 28 (S.F. 2156, Housley) requires Xcel Energy to provide a plan and detailed timeline to decommission and demolish the Allen S. King power plant located in Oak Park Heights. The plant is currently scheduled for retirement in 2028.

Section 29 (Appropriations) appropriates money for the following purposes:

- Advanced nuclear study (\$150,000, general fund in FY23) **(S.F. 4163, Mathews)**
- Solar for schools (\$4,150,000, general fund in FY23, \$5,700,000, general fund in FY24) **(S.F. 4089, Senjem)**
- Granite Falls hydroelectric generating facility (\$2,290,000 from the Renewable Development Account in FY23) **(S.F. 3508, Dahms)**
- Community energy transition grant program (\$3,500,000 in FY2023 from the renewable development account) **(S.F. 3715, Mathews)**
- National Sports Center solar array (\$3,500,000 in FY2023 from the renewable development account) **(S.F. 3825, Newton)**

Section 30 (S.F. 3023, Senjem) repeals the sunset of recovery of gas utility infrastructure costs.