

1.1 **Senator Frentz from the Committee on Energy, Utilities, Environment, and Climate,**
1.2 **to which was referred**

1.3 **S.F. No. 1296:** A bill for an act relating to electric vehicles; establishing preference for
1.4 purchase of electric vehicles for state fleet; requiring certification of training of motor vehicle
1.5 dealer employees; providing rebates for electric vehicle purchases; requiring certain utilities
1.6 to file plans with the Public Utilities Commission to promote electric vehicles; awarding
1.7 grants to automobile dealers to defray cost of manufacturer certification allowing electric
1.8 vehicle sales; appropriating money; amending Minnesota Statutes 2022, sections 16B.24,
1.9 by adding a subdivision; 16C.135, subdivision 3; 16C.137, subdivision 1; 168.27, by adding
1.10 a subdivision; proposing coding for new law in Minnesota Statutes, chapters 216B; 216C.

1.11 Reports the same back with the recommendation that the bill be amended as follows:

1.12 Page 1, delete section 1 and insert:

1.13 "Section 1. Minnesota Statutes 2022, section 16B.58, is amended by adding a subdivision
1.14 to read:

1.15 Subd. 9. **Electric vehicle charging.** A person that charges a privately owned electric
1.16 vehicle at a charging station located within the Capitol area, as defined in section 15B.02,
1.17 must pay an electric service fee established by the commissioner.

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

1.19 Page 3, delete section 5 and insert:

1.20 "Sec. 5. **[216B.1615] ELECTRIC VEHICLE DEPLOYMENT PROGRAM.**

1.21 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
1.22 the meanings given.

1.23 (b) "Battery exchange station" means a physical location deploying equipment that
1.24 enables a used electric vehicle battery to be removed and exchanged for a fresh electric
1.25 vehicle battery.

1.26 (c) "Electric vehicle" means any device or contrivance that transports persons or property
1.27 and is capable of being powered by an electric motor drawing current from rechargeable
1.28 storage batteries, fuel cells, or other portable sources of electricity. Electric vehicle includes
1.29 but is not limited to:

1.30 (1) an electric vehicle, as defined in section 169.011, subdivision 26a;

1.31 (2) an electric-assisted bicycle, as defined in section 169.011, subdivision 27;

1.32 (3) an off-road vehicle, as defined in section 84.797, subdivision 7;

1.33 (4) a motorboat, as defined in section 86B.005, subdivision 9; or

2.1 (5) an aircraft, as defined in section 360.013, subdivision 37.

2.2 (d) "Electric vehicle charging station" means a physical location deploying equipment
2.3 that:

2.4 (1) transfers electricity to an electric vehicle battery;

2.5 (2) dispenses hydrogen into an electric vehicle powered by a fuel cell;

2.6 (3) exchanges electric vehicle batteries; or

2.7 (4) provides other equipment used to charge or fuel electric vehicles.

2.8 (e) "Electric vehicle infrastructure" means electric vehicle charging stations and any
2.9 associated machinery, equipment, and infrastructure necessary for a public utility to supply
2.10 electricity or hydrogen to an electric vehicle charging station and to support electric vehicle
2.11 operation.

2.12 (f) "Fuel cell" means a cell that converts the chemical energy of hydrogen directly into
2.13 electricity through electrochemical reactions.

2.14 (g) "Government entity" means the state, a state agency, or a political subdivision, as
2.15 defined in section 13.02, subdivision 11.

2.16 (h) "Public utility" has the meaning given in section 216B.02, subdivision 4.

2.17 **Subd. 2. Transportation electrification plan; contents.** (a) By November 1, 2023, and
2.18 periodically as ordered by the commission, a public utility must file a transportation
2.19 electrification plan with the commission that is designed to:

2.20 (1) maximize the overall benefits of electric vehicles and other electrified transportation
2.21 while minimizing overall costs; and

2.22 (2) promote the:

2.23 (i) purchase of electric vehicles by the public utility's customers; and

2.24 (ii) deployment of electric vehicle infrastructure in the public utility's service territory.

2.25 (b) A transportation electrification plan may include but is not limited to the following
2.26 elements:

2.27 (1) programs to educate and increase the awareness and benefits of electric vehicles and
2.28 electric vehicle charging equipment among individuals, electric vehicle dealers, single-family
2.29 and multifamily housing developers and property management companies, building owners
2.30 and tenants, vehicle service stations, vehicle fleet owners and managers, and other potential
2.31 users of electric vehicles;

3.1 (2) utility investments to support transportation electrification across all customer classes,
3.2 including but not limited to investments to facilitate:

3.3 (i) the deployment of electric vehicles for personal and commercial use; customer-owned,
3.4 third-party-owned, and utility-owned electric vehicle charging stations; electric vehicle
3.5 infrastructure to support light-duty, medium-duty, and heavy-duty vehicle electrification;
3.6 and other electric utility infrastructure needed to support transportation electrification;

3.7 (ii) widespread access to publicly available electric vehicle charging stations; and

3.8 (iii) the electrification of public transit and vehicle fleets owned or operated by a
3.9 government entity;

3.10 (3) research and demonstration projects to increase access to electricity as a transportation
3.11 fuel, minimize the system costs of electric transportation, and inform future transportation
3.12 electrification plans;

3.13 (4) rate structures or programs that encourage electric vehicle charging that optimizes
3.14 electric grid operation, including time-varying rates and charging optimization programs;

3.15 (5) programs to increase access to the benefits of electricity as a transportation fuel for
3.16 low- or moderate-income customers and communities and in neighborhoods most affected
3.17 by transportation-related air emissions;

3.18 (6) proposals to expedite commission consideration of program adjustments requested
3.19 during the term of an approved transportation electrification plan; and

3.20 (7) proposals to share information and results from transportation electrification projects
3.21 with stakeholders to promote effective electrification in all areas of the state.

3.22 Subd. 3. **Transportation electrification plan; review and implementation.** The
3.23 commission may approve, modify, or reject a transportation electrification plan. When
3.24 reviewing a transportation electrification plan, the commission must consider whether the
3.25 programs, investments, and expenditures as a whole are reasonable and in the public interest,
3.26 and are reasonably expected to:

3.27 (1) improve the operation of the electric grid;

3.28 (2) increase access to the use of electricity as a transportation fuel for all customers,
3.29 including those in low- or moderate-income communities, rural communities, and
3.30 communities most affected by emissions from the transportation sector;

3.31 (3) increase access to publicly available electric vehicle charging and destination charging
3.32 for all types of electric vehicles;

4.1 (4) support the electrification of medium-duty and heavy-duty vehicles and associated
4.2 charging infrastructure;

4.3 (5) reduce statewide greenhouse gas emissions, as defined in section 216H.01, and
4.4 emissions of other air pollutants that impair the environment and public health;

4.5 (6) stimulate non-utility investment and the creation of skilled jobs;

4.6 (7) maximize the overall benefits of electric vehicles and other electrified transportation
4.7 investments while minimizing overall costs;

4.8 (8) educate the public about the benefits of electric vehicles and related infrastructure;

4.9 (9) be transparent and incorporate reasonable public reporting of program activities,
4.10 consistent with existing technology and data capabilities, to inform program design and
4.11 commission policy with respect to electric vehicles;

4.12 (10) reasonably balance the benefits of ratepayer funded investments in transportation
4.13 electrification against impacts on utility rates; and

4.14 (11) appropriately balance the participation of public utilities and private enterprise in
4.15 the market for transportation electrification and related services.

4.16 Subd. 4. **Cost recovery.** (a) Notwithstanding any other provision of this chapter, the
4.17 commission may approve, with respect to any prudent and reasonable investments made or
4.18 expenses incurred by a public utility to administer and implement a transportation
4.19 electrification plan approved under subdivision 3:

4.20 (1) performance-based incentives or penalties;

4.21 (2) placing the capital investment in the public utility's rate base and allowing the public
4.22 utility to earn a rate of return on the investment at:

4.23 (i) the public utility's average weighted cost of capital, including the rate of return on
4.24 equity, approved by the commission in the public utility's most recent general rate case; or

4.25 (ii) another rate determined by the commission; or

4.26 (3) any other recovery mechanism that the commission determines is fair, reasonable,
4.27 and supports the objectives of this section.

4.28 (b) Notwithstanding section 216B.16, subdivision 8, paragraph (a), clause (3), the
4.29 commission must approve recovery costs for expenses reasonably incurred by a public
4.30 utility to provide public advertisement as part of a transportation electrification plan approved
4.31 by the commission under subdivision 3.

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

5.2 Page 7, delete subdivision 2 and insert:

5.3 "Subd. 2. **Eligible vehicle.** (a) A new electric vehicle is eligible for a rebate under this
5.4 section if the electric vehicle:

5.5 (1) has a base manufacturer's suggested retail price that does not exceed \$60,000;

5.6 (2) has not been previously owned;

5.7 (3) has not been modified from the original manufacturer's specifications;

5.8 (4) is purchased or leased from a dealer or directly from an original equipment
5.9 manufacturer that does not have licensed franchised dealers in Minnesota; and

5.10 (5) is purchased or leased after the effective date of this act for use by the purchaser and
5.11 not for resale.

5.12 (b) A used electric vehicle is eligible for an electric vehicle rebate under this section if
5.13 the electric vehicle had a base manufacturer's suggested retail price that did not exceed
5.14 \$60,000 when purchased, has previously been owned in Minnesota or another state, and
5.15 has not been modified from the original manufacturer's specifications.

5.16 (c) For purposes of paragraph (a), a vehicle has not been previously owned if it:

5.17 (1) is used by a dealer as a floor model or test drive vehicle and has not been previously
5.18 registered in Minnesota or any other state prior to purchase or lease; or

5.19 (2) is returned to a dealer by a purchaser or lessee:

5.20 (i) within two weeks of purchase or leasing or when a purchaser's or lessee's financing
5.21 for the electric vehicle has been disapproved; or

5.22 (ii) before the purchaser or lessee takes delivery, even if the electric vehicle is registered
5.23 in Minnesota."

5.24 Page 8, line 24, delete "per household"

5.25 Page 10, after line 27, insert:

5.26 "Sec. 9. **REPEALER.**

5.27 Minnesota Statutes 2022, section 16B.24, subdivision 13, is repealed."

5.28 Amend the title numbers accordingly

6.1 And when so amended the bill do pass and be re-referred to the Committee on
 6.2 Transportation. Amendments adopted. Report adopted.

Nick A. Funtz

6.3
 6.4 (Committee Chair)

6.5 February 15, 2023.....
 6.6 (Date of Committee recommendation)