

SF2591 - 0 - Public Road Use; High-Voltage Transmission Lines

Chief Author: **Jennifer McEwen**
 Committee: **Transportation**
 Date Completed: **3/14/2023 1:45:40 PM**
 Lead Agency: **Transportation Dept**
 Other Agencies:
 Commerce Dept Public Utilities Commission

| State Fiscal Impact | Yes | No |
|----------------------------|-----|----|
| Expenditures | X | |
| Fee/Departmental Earnings | X | |
| Tax Revenue | | X |
| Information Technology | | X |
| Local Fiscal Impact | | |
| | | X |

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

| State Cost (Savings) | Biennium | | | Biennium | | |
|--------------------------------|----------------------|--------|--------|----------|--------|--------|
| | Dollars in Thousands | FY2023 | FY2024 | FY2025 | FY2026 | FY2027 |
| Commerce Dept | - | - | - | - | - | - |
| Restrict Misc. Special Revenue | - | - | - | - | - | - |
| State Total | | | | | | |
| Restrict Misc. Special Revenue | - | - | - | - | - | - |
| Total | - | - | - | - | - | - |
| Biennial Total | | | - | | | - |

| Full Time Equivalent Positions (FTE) | Biennium | | | Biennium | |
|--------------------------------------|----------|--------|--------|----------|--------|
| | FY2023 | FY2024 | FY2025 | FY2026 | FY2027 |
| Commerce Dept | - | - | - | - | - |
| Restrict Misc. Special Revenue | - | 2 | 2 | 2 | 2 |
| Total | - | 2 | 2 | 2 | 2 |

Lead LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Laura Cecko **Date:** 3/14/2023 1:45:40 PM
Phone: 651-284-6543 **Email:** laura.cecko@lbo.mn.gov

State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

| State Cost (Savings) = 1-2 | | Biennium | | | Biennium | |
|--|--|-----------------|---------------|---------------|-----------------|---------------|
| Dollars in Thousands | | FY2023 | FY2024 | FY2025 | FY2026 | FY2027 |
| Commerce Dept | | - | - | - | - | - |
| Restrict Misc. Special Revenue | | - | - | - | - | - |
| Total | | - | - | - | - | - |
| Biennial Total | | | | - | | - |
| 1 - Expenditures, Absorbed Costs*, Transfers Out* | | | | | | |
| Commerce Dept | | - | - | - | - | - |
| Restrict Misc. Special Revenue | | - | 339 | 339 | 339 | 339 |
| Total | | - | 339 | 339 | 339 | 339 |
| Biennial Total | | | | 678 | | 678 |
| 2 - Revenues, Transfers In* | | | | | | |
| Commerce Dept | | - | - | - | - | - |
| Restrict Misc. Special Revenue | | - | 339 | 339 | 339 | 339 |
| Total | | - | 339 | 339 | 339 | 339 |
| Biennial Total | | | | 678 | | 678 |

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 Committee: **Transportation**
 Date Completed: **3/14/2023 1:45:40 PM**
 Agency: **Transportation Dept**

| State Fiscal Impact | Yes | No |
|---------------------------|-----|----|
| Expenditures | | X |
| Fee/Departmental Earnings | | X |
| Tax Revenue | | X |
| Information Technology | | X |
| Local Fiscal Impact | | X |

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| State Cost (Savings) | Biennium | | | Biennium | | |
|-----------------------|----------------------|--------|--------|----------|--------|--------|
| | Dollars in Thousands | FY2023 | FY2024 | FY2025 | FY2026 | FY2027 |
| Total | - | - | - | - | - | - |
| Biennial Total | | | - | | | - |

| Full Time Equivalent Positions (FTE) | Biennium | | | Biennium | |
|--------------------------------------|----------|--------|--------|----------|--------|
| | FY2023 | FY2024 | FY2025 | FY2026 | FY2027 |
| Total | - | - | - | - | - |

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Laura Cecko **Date:** 3/10/2023 2:01:48 PM
Phone: 651-284-6543 **Email:** laura.cecko@lbo.mn.gov

State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

| State Cost (Savings) = 1-2 | | Biennium | | | Biennium | |
|--|-----------------------|----------|--------|--------|----------|--------|
| Dollars in Thousands | | FY2023 | FY2024 | FY2025 | FY2026 | FY2027 |
| | Total | - | - | - | - | - |
| | Biennial Total | | | - | | - |
| 1 - Expenditures, Absorbed Costs*, Transfers Out* | | | | | | |
| | Total | - | - | - | - | - |
| | Biennial Total | | | - | | - |
| 2 - Revenues, Transfers In* | | | | | | |
| | Total | - | - | - | - | - |
| | Biennial Total | | | - | | - |

Bill Description

The bill makes amendments to rules for entities placing and maintaining indicated utilities along a trunk highway. The amendments accommodate the inclusion of electrical transmission lines.

Sec. 1, Subd. 1 is amended to prevent the commissioner from prohibiting an entity that has a right to use the public road right-of-way pursuant to 222.37, subd. 1 from placing and maintaining electric transmission lines.

Sec. 2, Subd. 1 is amended to include a permitted entity with a high-voltage transmission line providing retail electric service in the state.

Assumptions

This bill revises statute that authorizes certain entities to use public roads for the purpose of constructing, using, operating, and maintaining high-voltage transmission lines. These revisions do not result in any fiscal impacts to MnDOT.

Expenditure and/or Revenue Formula

No MnDOT fiscal impact

Long-Term Fiscal Considerations

None

Local Fiscal Impact

None.

References/Sources

None

Agency Contact: Sam Brown

Agency Fiscal Note Coordinator Signature: Samuel Brown

Phone: 651-346-8525

Date: 3/10/2023 1:54:32 PM

Email: samuel.brown@state.mn.us

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Chief Author: **Jennifer McEwen**
 Committee: **Transportation**
 Date Completed: **3/14/2023 1:45:40 PM**
 Agency: **Commerce Dept**

| State Fiscal Impact | Yes | No |
|----------------------------|-----|----|
| Expenditures | X | |
| Fee/Departmental Earnings | X | |
| Tax Revenue | | X |
| Information Technology | | X |
| Local Fiscal Impact | | |
| | | X |

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

| State Cost (Savings) | Biennium | | | Biennium | | |
|--------------------------------|----------------------|--------|--------|----------|--------|--------|
| | Dollars in Thousands | FY2023 | FY2024 | FY2025 | FY2026 | FY2027 |
| Restrict Misc. Special Revenue | - | - | - | - | - | - |
| Total | - | - | - | - | - | - |
| Biennial Total | | | - | | | - |

| Full Time Equivalent Positions (FTE) | Biennium | | | Biennium | |
|--------------------------------------|----------|--------|--------|----------|--------|
| | FY2023 | FY2024 | FY2025 | FY2026 | FY2027 |
| Restrict Misc. Special Revenue | - | 2 | 2 | 2 | 2 |
| Total | - | 2 | 2 | 2 | 2 |

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Karl Palm **Date:** 3/14/2023 1:21:51 PM
Phone: 651-296-6055 **Email:** karl.palm@lbo.mn.gov

State Cost (Savings) Calculation Details

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| State Cost (Savings) = 1-2 | | Biennium | | | Biennium | |
|--|--|----------|------------|------------|------------|------------|
| Dollars in Thousands | | FY2023 | FY2024 | FY2025 | FY2026 | FY2027 |
| Restrict Misc. Special Revenue | | - | - | - | - | - |
| Total | | - | - | - | - | - |
| Biennial Total | | | | - | | - |
| 1 - Expenditures, Absorbed Costs*, Transfers Out* | | | | | | |
| Restrict Misc. Special Revenue | | - | 339 | 339 | 339 | 339 |
| Total | | - | 339 | 339 | 339 | 339 |
| Biennial Total | | | | 678 | | 678 |
| 2 - Revenues, Transfers In* | | | | | | |
| Restrict Misc. Special Revenue | | - | 339 | 339 | 339 | 339 |
| Total | | - | 339 | 339 | 339 | 339 |
| Biennial Total | | | | 678 | | 678 |

Bill Description

HF 2570-0 proposes to require the Department of Transportation to allow any entity that receives a High Voltage Transmission Line (HVTL) route permit from the public utilities commission to use public trunk highway rights of way.

Section 1 [Minnesota Statutes 161.45]

- Subdivision 1: Prohibits Department of Transportation from making rules that would prohibit an entity from placing and maintaining electric transmission lines along, across, or in a trunk highway if they have the right to do so under Minnesota Statutes 222.37, Subdivision 1.

Section 2 [Minnesota Statutes 222.37]

- Subdivision 1: Expands the list of entities allowed to use public roads for constructing, using, operating, and maintaining linear infrastructure, to include any entity that receives a route permit for an HVTL necessary to interconnect an electric power generating facility with a transmission line or associated facility of an entity that directly, or through its members, provides retail electric service in the state.

Assumptions

Section 1 The Department assumes Department of Transportation will establish a regulatory proceeding and undertake administrative actions to meet the requirements of the proposed language. The Department assumes it will be able to participate in this future proceeding with its existing resources and assumes no fiscal impact for this section.

Section 2 The Department assumes 10-12 qualifying high-voltage transmission lines will be proposed annually, based on past years and projected future growth in utility scale renewable energy projects. Of the qualifying projects the Department assumes 50% will seek to exercise the right to use roadway for construction, maintenance and operation. For qualifying projects that exercise this right, the Department assumes the typical PUC permitting process will be adjusted to accommodate development of a robust record regarding compatibility with safety and convenience of ordinary travel. The Department assumes it will be charged with facilitating extensive additional coordination between project proponents, MnDOT, local road authorities, and other stakeholders and gathering, synthesizing and presenting the information that allows the PUC to assess whether the transmission infrastructure can be located in a way that does not interfere with the safety and convenience of ordinary travel.

The Department is required under Chapters 216E to consult with other state agencies and provide technical expertise and other assistance. For projects exercising this new provision, these responsibilities would include additional review of

preapplication materials to evaluate compatibility of the proposal and the level of detail and analysis with evaluation of the safety and convenience criteria in Minnesota Statutes 222.37. Responsibilities would also include preparation of additional recommendations on completeness and adequacy of consultation with respect to the criteria in 222.37, ongoing consultation throughout the process with MNDOT and facilitation of design compatibility evaluation and mitigation development for applicant’s proposal and any alternatives proposed to occupy road rights of way. The Department assumes additional responsibilities would also include task force planning, facilitation, and report development, development of contested case testimony and/or witness cross examination. We assume special expertise and additional staff capacity will be necessary to evaluate novel decommissioning and financial surety issues as well as reliability and cost issues associated with potential future roadway expansion.

Typically, the Department assumes each FTE in the unit can manage 2-3 projects per year. However, the Department anticipates more staff time will be necessary to process project proposals exercising the rights granted in this section. As such, the department anticipates this potential scope of activities will require the majority of a full-time project manager’s time during project review and permitting, in order to adhere to typical permitting timelines, limiting the number of projects the assigned FTE can manage to 1-2 projects per year. If, as assumed above 5-6 project proposals per year exercise this new approach, additional staff capacity will be needed to ensure that the Department is able to process permit applications at the typical rate.

The Department anticipates that it will need to hire at least 2 FTE at the Planning Director State level to handle the route permitting work arising from this bill while ensuring that all project proposals continue to move through the review and permitting process in a timely manner. This work is funded through the special revenue fund associated with permitting dockets, with permitting and review costs assessed to applicants independent of overall staffing level of the unit.

Expenditure and/or Revenue Formula

2 FTE Planner Director (special revenue fund for permitting)

| | | | FY24 | FY25 | FY26 | FY27 |
|-------------------------------|--|--|---------|---------|---------|---------|
| Salary | | | 206,838 | 206,838 | 206,838 | 206,838 |
| Fringe | | | 62,051 | 62,051 | 62,051 | 62,051 |
| Other Personnel Related Costs | | | 69,843 | 69,843 | 69,843 | 69,843 |
| | | | 338,733 | 338,733 | 338,733 | 338,733 |

Long-Term Fiscal Considerations

The resource requirements would be ongoing.

Local Fiscal Impact

Unknown

References/Sources

Staff and management involved in environmental review, interagency coordination, and permitting were consulted to develop the analysis of resource needs.

Agency Contact:

Agency Fiscal Note Coordinator Signature: Amy Trumper

Date: 3/13/2023 9:39:06 PM

Phone: 651-539-1517

Email: amy.trumper@state.mn.us

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Chief Author: **Jennifer McEwen**
 Committee: **Transportation**
 Date Completed: **3/14/2023 1:45:40 PM**
 Agency: **Public Utilities Commission**

| State Fiscal Impact | Yes | No |
|---------------------------|-----|----|
| Expenditures | | X |
| Fee/Departmental Earnings | | X |
| Tax Revenue | | X |
| Information Technology | | X |
| Local Fiscal Impact | | X |

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| Total | - | - | - | - | - | - |
| Biennial Total | | | - | | | - |

| Full Time Equivalent Positions (FTE) | Biennium | | | Biennium | | |
|--------------------------------------|----------|--------|--------|----------|--------|--------|
| | | FY2023 | FY2024 | FY2025 | FY2026 | FY2027 |
| Total | - | - | - | - | - | - |

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Karl Palm **Date:** 3/13/2023 8:00:48 AM
Phone: 651-296-6055 **Email:** karl.palm@lbo.mn.gov

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| State Cost (Savings) = 1-2 | | Biennium | | | Biennium | |
|--|--------|----------|--------|--------|----------|---|
| Dollars in Thousands | FY2023 | FY2024 | FY2025 | FY2026 | FY2027 | |
| Total | - | - | - | - | - | - |
| Biennial Total | | | - | | | - |
| 1 - Expenditures, Absorbed Costs*, Transfers Out* | | | | | | |
| Total | - | - | - | - | - | - |
| Biennial Total | | | - | | | - |
| 2 - Revenues, Transfers In* | | | | | | |
| Total | - | - | - | - | - | - |
| Biennial Total | | | - | | | - |

Bill Description

Section 1 states that the Department of Transportation may not make rules that would prohibit an entity that has a right to use the public right of way pursuant to section 222.37, subd. 1, from placing and maintaining electric transmission lines along, across, or in a trunk highway.

Section 2 expands the list of entities in section 222.37, subd. 1, to include an entity that receives a route permit for a high-voltage transmission line (HVTL) necessary to interconnect an electric power generating facility with a transmission line or associated facility of an entity that directly, or through its members, provides retail electric service in the state.

Assumptions

The PUC has authority over route permits for HVTLs under chapter 216E. Under this bill, the PUC would continue to conduct route permit proceedings using existing processes. Although there would likely be substantially more work required to conduct initial analysis of routes under this bill, that work is largely done by the Department of Commerce and Department of Transportation. Therefore, the PUC believes that this bill could be implemented with existing resources and no fiscal impact is expected.

Current bill language does not appropriate funds to the Commission. If additional funds are appropriated, they would be recovered from the rate-regulated utilities and credited back to the general fund.

Expenditure and/or Revenue Formula

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

Agency Contact:

Agency Fiscal Note Coordinator Signature: Kay Urquhart

Phone: 651-201-2222

Date: 3/9/2023 3:05:12 PM

Email: kay.urquhart@state.mn.us

