

SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION

S.F. No. 1393

(SENATE AUTHORS: MATHEWS, Jasinski, Hoffman, Frentz and Rarick)		
DATE	D-PG	OFFICIAL STATUS
02/13/2025	386	Introduction and first reading Referred to Energy, Utilities, Environment, and Climate
03/17/2025	873	Author added Frentz
03/24/2025	1026	Author stricken Eichorn
03/27/2025	1068a	Comm report: To pass as amended and re-refer to Environment, Climate, and Legacy
04/01/2025	1262	Author added Rarick
04/23/2025	3737	Withdrawn and re-referred to Energy, Utilities, Environment, and Climate
04/28/2025	4129	Comm report: To pass Pursuant to Senate Concurrent Resolution No. 4, referred to Rules and Administration Joint rule 3.02, returned to Energy, Utilities, Environment, and Climate

1.1

A bill for an act

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relating to energy; providing for data center energy generation redundancy;

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amending Minnesota Statutes 2024, sections 116D.04, subdivision 4a; 216B.02,

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by adding subdivisions; 216B.243, subdivision 8; 216I.02, by adding a subdivision;

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216I.07, subdivisions 2, 3.

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

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Section 1. Minnesota Statutes 2024, section 116D.04, subdivision 4a, is amended to read:

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Subd. 4a. **Alternative review.** (a) The board shall by rule identify alternative forms of

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environmental review which will address the same issues and utilize similar procedures as

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an environmental impact statement in a more timely or more efficient manner to be utilized

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in lieu of an environmental impact statement.

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(b) Upon adoption by the responsible governmental unit of the environmental document

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and plan for mitigation under an alternative urban areawide review process, and

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notwithstanding any additional environmental review that may otherwise be required for a

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phased action or connected action, or project component that was not evaluated in the

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alternative urban areawide review process, environmental review is complete and the

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prerequisites under subdivision 2b are satisfied with regards to the anticipated residential,

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commercial, warehousing, and light industrial development projects that are consistent with

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development assumptions within the established boundaries of the geographic area to which

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the alternative urban areawide review applies.

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

Sec. 2. Minnesota Statutes 2024, section 216B.02, is amended by adding a subdivision to read:

Subd. 11. Emergency backup generator. "Emergency backup generator" means a stationary compressed ignition or spark ignition engine described under Code of Federal Regulations, title 40, parts 60.4211(f) and 60.4243(d), respectively, that is installed with equipment that prevents the flow of electricity to the electric grid.

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

Sec. 3. Minnesota Statutes 2024, section 216B.02, is amended by adding a subdivision to read:

Subd. 12. Data center. "Data center" means a freestanding structure that primarily contains electronic equipment used to process, store, and transmit digital information.

Sec. 4. Minnesota Statutes 2024, section 216B.243, subdivision 8, is amended to read:

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

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

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

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

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

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

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

(7) a large wind energy conversion system, as defined in section 216I.02, subdivision 12, or a solar energy generating system, as defined in section 216I.02, subdivision 18, for which a site permit application is submitted by an independent power producer under chapter 216I;

(8) a large wind energy conversion system, as defined in section 216I.02, subdivision 12, or a solar energy generating system, as defined in section 216I.02, subdivision 18, engaging in a repowering project that:

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

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

(9) energy storage systems, as defined in section 216I.02, subdivision 6;

(10) transmission lines that directly interconnect large wind energy conversion systems, solar energy generating systems, or energy storage systems to the transmission system; ~~or~~

(11) relocation of an existing high voltage transmission line to new right-of-way, provided that any new structures that are installed are not designed for and capable of operation at higher voltage; or

(12) a combination of emergency backup generators at a single site with a combined capacity of 50,000 kilowatts or more that provides power to a data center and is eligible for permitting as a single stationary source under Minnesota Rules, parts 7007.0200, 7007.0250, 7007.1100, or 7007.1110 to 7007.1141.

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

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

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

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

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies to applications under Minnesota Statutes, section 216B.243, that are pending before or submitted to the Public Utilities Commission on or after that date.

Sec. 5. Minnesota Statutes 2024, section 216I.02, is amended by adding a subdivision to read:

Subd. 5a. Emergency backup generator. "Emergency backup generator" has the meaning given in section 216B.02, subdivision 11.

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

Sec. 6. Minnesota Statutes 2024, section 216I.07, subdivision 2, is amended to read:

Subd. 2. Applicable projects. The requirements and procedures under this section apply to projects for which the applicant's proposal is:

(1) large electric power generating plants with a capacity of less than 80 megawatts;

(2) a combination of emergency backup generators designed to serve one person and located on property owned or controlled by the person;

~~(2)~~ (3) large electric power generating plants that are fueled by natural gas;

~~(3)~~ (4) high-voltage transmission lines with a capacity between 100 and 300 kilovolts;

~~(4)~~ (5) high-voltage transmission lines with a capacity in excess of 300 kilovolts and less than 30 miles in length in Minnesota;

~~(5)~~ (6) high-voltage transmission lines with a capacity in excess of 300 kilovolts, if at least 80 percent of the distance of the line in Minnesota, as proposed by the applicant, is located along existing high-voltage transmission line right-of-way;

~~(6)~~ (7) solar energy systems;

~~(7)~~ (8) energy storage systems; and

~~(8)~~ (9) large wind energy conversion systems.

EFFECTIVE DATE; APPLICATION. This section is effective July 1, 2025, and applies to applications under Minnesota Statutes, section 216I.07, that are pending before or submitted to the Public Utilities Commission on or after that date.

Sec. 7. Minnesota Statutes 2024, section 216I.07, subdivision 3, is amended to read:

Subd. 3. **Environmental review.** (a) For the projects identified in subdivision 2 and following the procedures under this section, the applicant must prepare and submit an environmental assessment with the application. A draft of the environmental assessment must also be provided to commission staff as part of the preapplication review under section 216I.05, subdivision 6. The environmental assessment must (1) contain information regarding the proposed project's human and environmental impacts, and (2) address mitigating measures for identified impacts. The environmental assessment for projects identified in subdivision 2, clause (2), must also include a discussion of reasonable alternatives to the proposed project considering (i) the appropriateness of the size and type of the proposed method of generation compared to those of reasonable alternatives; (ii) the cost to the proposer of energy to be supplied by the project compared to the cost of energy that would be supplied by reasonable alternatives; (iii) the effects of the proposed project upon the natural and socioeconomic environments compared to the effects of reasonable alternatives; and (iv) the expected reliability of the proposed facility compared to the expected reliability of reasonable alternatives. The environmental assessment is the only state environmental review document that must be prepared for the proposed project.

(b) If after the public meeting the commission identifies other sites or routes or potential impacts for review, the commission must prepare an addendum to the environmental assessment that evaluates (1) the human and environmental impacts of the alternative site or route, and (2) any additional mitigating measures related to the identified impacts consistent with the scoping decision made pursuant to section 216I.06, subdivision 10, clause (2). The public may provide comments on the environmental assessment and any addendum to the environmental assessment at the public hearing and comment period under subdivision 4. When making the commission's final decision, the commission must consider the environmental assessment, the environmental assessment addendum, if any, and the entirety of the record related to human and environmental impacts.