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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 2007

03/18/2015 Authored by Scott

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance

1.1 A bill for an act  
1.2 relating to energy; amending the test for the cost-effectiveness of conservation  
1.3 programs; amending Minnesota Statutes 2014, section 216B.241, subdivision 1c.

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

1.5 Section 1. Minnesota Statutes 2014, section 216B.241, subdivision 1c, is amended to  
1.6 read:

1.7 Subd. 1c. **Energy-saving goals.** (a) The commissioner shall establish energy-saving  
1.8 goals for energy conservation improvement expenditures and shall evaluate an energy  
1.9 conservation improvement program on how well it meets the goals set.

1.10 (b) Each individual utility and association shall have an annual energy-savings  
1.11 goal equivalent to 1.5 percent of gross annual retail energy sales unless modified by the  
1.12 commissioner under paragraph (d). The savings goals must be calculated based on the  
1.13 most recent three-year weather-normalized average. A utility or association may elect to  
1.14 carry forward energy savings in excess of 1.5 percent for a year to the succeeding three  
1.15 calendar years, except that savings from electric utility infrastructure projects allowed  
1.16 under paragraph (d) may be carried forward for five years. A particular energy savings can  
1.17 be used only for one year's goal.

1.18 (c) The commissioner must adopt a filing schedule that is designed to have all  
1.19 utilities and associations operating under an energy-savings plan by calendar year 2010.

1.20 (d) In its energy conservation improvement plan filing, a utility or association may  
1.21 request the commissioner to adjust its annual energy-savings percentage goal based on  
1.22 its historical conservation investment experience, customer class makeup, load growth, a  
1.23 conservation potential study, or other factors the commissioner determines warrants an  
1.24 adjustment. The commissioner may not approve a plan of a public utility that provides for

2.1 an annual energy-savings goal of less than one percent of gross annual retail energy sales  
2.2 from energy conservation improvements.

2.3 A utility or association may include in its energy conservation plan energy savings  
2.4 from electric utility infrastructure projects approved by the commission under section  
2.5 216B.1636 or waste heat recovery converted into electricity projects that may count as  
2.6 energy savings in addition to a minimum energy-savings goal of at least one percent for  
2.7 energy conservation improvements. Electric utility infrastructure projects must result in  
2.8 increased energy efficiency greater than that which would have occurred through normal  
2.9 maintenance activity.

2.10 (e) An energy-savings goal is not satisfied by attaining the revenue expenditure  
2.11 requirements of subdivisions 1a and 1b, but can only be satisfied by meeting the  
2.12 energy-savings goal established in this subdivision.

2.13 (f) An association or utility is not required to make energy conservation investments  
2.14 to attain the energy-savings goals of this subdivision that are not cost-effective even  
2.15 if the investment is necessary to attain the energy-savings goals. For the purpose of  
2.16 this paragraph, in determining cost-effectiveness, the commissioner shall consider the  
2.17 costs and benefits to nonparticipating ratepayers, ~~the utility, participants, and society. In~~  
2.18 ~~addition, the commissioner shall consider the rate at which an association or municipal~~  
2.19 ~~utility is increasing its energy savings and its expenditures on energy conservation only.~~

2.20 (g) On an annual basis, the commissioner shall produce and make publicly available  
2.21 a report on the annual energy savings and estimated carbon dioxide reductions achieved  
2.22 by the energy conservation improvement programs for the two most recent years for  
2.23 which data is available. The commissioner shall report on program performance both in  
2.24 the aggregate and for each entity filing an energy conservation improvement plan for  
2.25 approval or review by the commissioner.

2.26 (h) By January 15, 2010, the commissioner shall report to the legislature whether  
2.27 the spending requirements under subdivisions 1a and 1b are necessary to achieve the  
2.28 energy-savings goals established in this subdivision.

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