

**SENATE  
STATE OF MINNESOTA  
NINETIETH SESSION**

**S.F. No. 2714**

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DATE  
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D-PG

Introduction and first reading  
Referred to Energy and Utilities Finance and Policy

OFFICIAL STATUS

1.1 A bill for an act  
1.2 relating to energy; establishing criteria for utility cost recovery of energy storage  
1.3 system pilot projects; amending Minnesota Statutes 2016, section 216B.16, by  
1.4 adding a subdivision.

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

1.6 Section 1. Minnesota Statutes 2016, section 216B.16, is amended by adding a subdivision  
1.7 to read:

1.8 Subd. 7e. Energy storage system pilot projects. (a) A public utility may petition the  
1.9 commission under this section to recover costs associated with the implementation of an  
1.10 energy storage system pilot project, provided the following conditions are met:

1.11 (1) the public utility has submitted a report to the commission containing, at a minimum,  
1.12 the following information regarding the proposed energy storage system pilot project:

1.13 (i) the storage technology utilized;

1.14 (ii) the energy storage capacity and the duration of output at that capacity;

1.15 (iii) the proposed location;

1.16 (iv) the purchasing and installation costs;

1.17 (v) how the project will interact with existing distributed generation resources on the  
1.18 utility's grid; and

1.19 (vi) the goals the project proposes to achieve, including controlling frequency or voltage,  
1.20 mitigating transmission congestion, providing emergency power supplies during outages,  
1.21 reducing curtailment of existing renewable energy generators, and reducing peak power  
1.22 costs;

2.1 (2) the utility has adequately responded to any commission requests for additional  
2.2 information regarding the energy storage system pilot project; and

2.3 (3) the commission has determined that the energy storage system pilot project is in the  
2.4 public interest.

2.5 (b) The commission may modify a proposed energy storage system pilot project the  
2.6 commission approves for rate recovery.

2.7 (c) For the purposes of this subdivision:

2.8 (1) “energy storage system” means a commercially available technology capable of (i)  
2.9 absorbing and storing electrical energy, and (ii) dispatching stored electrical energy for use  
2.10 at a later time; and

2.11 (2) “pilot project” means a project deployed at a limited number of locations in order to  
2.12 assess the technical and economic effectiveness of its operations.

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