

**SENATE
STATE OF MINNESOTA
NINETIETH SESSION**

S.F. No. 3760

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DATE
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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; requiring the Public Utilities Commission to consider
1.3 employment opportunity growth when evaluating certain certificate of need
1.4 applications; modifying criteria used to evaluate compliance with renewable energy
1.5 standards; amending Minnesota Statutes 2016, sections 216B.1691, subdivisions
1.6 2d, 9, by adding a subdivision; 216B.243, subdivision 3, by adding a subdivision.

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

1.8 Section 1. Minnesota Statutes 2016, section 216B.1691, subdivision 2d, is amended to
1.9 read:

1.10 Subd. 2d. **Commission order.** The commission shall issue necessary orders detailing
1.11 the criteria and standards by which it will measure an electric utility's efforts to meet the
1.12 renewable energy objectives of subdivision 2 to determine whether the utility is making the
1.13 required good faith effort. In this order, the commission shall include criteria and standards
1.14 that protect against undesirable impacts on the reliability of the utility's system and economic
1.15 impacts on the utility's ratepayers and that consider technical feasibility. In an order under
1.16 this subdivision, the commission must also include criteria evaluating whether at least 50
1.17 percent of the hours worked by construction employees at each of the electric utility's eligible
1.18 energy technology project work sites are performed by employees who are (1) Minnesota
1.19 residents for income tax purposes, or (2) reside within 100 miles of the eligible energy
1.20 technology project construction site.

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

2.1 Sec. 2. Minnesota Statutes 2016, section 216B.1691, is amended by adding a subdivision
2.2 to read:

2.3 Subd. 3a. **Reports on state and local employment opportunities.** (a) For purposes of
2.4 this subdivision and subdivision 2d, "construction employees" means employees working
2.5 in construction occupations, as defined by the United States Bureau of Labor Statistics.

2.6 (b) Each electric utility engaged in building an eligible energy technology project under
2.7 the objectives and standards of this section must submit to the commission a quarterly report
2.8 certifying to the best of the utility's knowledge:

2.9 (1) the total number of hours worked for any employer that quarter by all construction
2.10 employees at the project site, including the full names and addresses of all the construction
2.11 employees;

2.12 (2) the total number of hours worked that quarter for any employer at the project site by
2.13 all construction employees who are Minnesota residents for income tax purposes, including
2.14 the full names and addresses of all Minnesota resident employees; and

2.15 (3) the total number of hours worked for any employer that quarter at the project site by
2.16 all construction employees who reside within 100 miles of the project site, including the
2.17 full names and addresses of all such local resident employees.

2.18 The commission must develop a standard reporting form to facilitate compliance with this
2.19 subdivision.

2.20 (c) The commission must submit to the chairs and ranking minority members of the
2.21 legislative committees with primary jurisdiction over energy policy an annual report prepared
2.22 with the assistance of the Department of Commerce and the Department of Labor and
2.23 Industry that addresses the training and use of Minnesota workers for the general and
2.24 specialized skills required to build eligible energy technology projects that comply with the
2.25 objectives and standards of this section. The report must include the estimated economic
2.26 impacts resulting from the use of local and nonlocal labor on projects under this section.

2.27 (d) Reports submitted under this subdivision are public data under section 13.03,
2.28 subdivision 1.

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

2.30 Sec. 3. Minnesota Statutes 2016, section 216B.1691, subdivision 9, is amended to read:

2.31 Subd. 9. **Local benefits.** The commission shall take all reasonable actions within its
2.32 statutory authority to ensure this section is implemented to maximize benefits to Minnesota

3.1 citizens, balancing factors such as local ownership of or participation in energy production,
3.2 development and ownership of eligible energy technology facilities by independent power
3.3 producers, Minnesota utility ownership of eligible energy technology facilities, the creation
3.4 of high-quality employment opportunities for Minnesota workers and local workers, the
3.5 costs of energy generation to satisfy the renewable standard, and the reliability of electric
3.6 service to Minnesotans.

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

3.8 Sec. 4. Minnesota Statutes 2016, section 216B.243, subdivision 3, is amended to read:

3.9 Subd. 3. **Showing required for construction.** No proposed large energy facility shall
3.10 be certified for construction unless the applicant can show that demand for electricity cannot
3.11 be met more cost effectively through energy conservation and load-management measures
3.12 and unless the applicant has otherwise justified its need. In assessing need, the commission
3.13 shall evaluate:

3.14 (1) the accuracy of the long-range energy demand forecasts on which the necessity for
3.15 the facility is based;

3.16 (2) the effect of existing or possible energy conservation programs under sections 216C.05
3.17 to 216C.30 and this section or other federal or state legislation on long-term energy demand;

3.18 (3) the relationship of the proposed facility to overall state energy needs, as described
3.19 in the most recent state energy policy and conservation report prepared under section
3.20 216C.18, or, in the case of a high-voltage transmission line, the relationship of the proposed
3.21 line to regional energy needs, as presented in the transmission plan submitted under section
3.22 216B.2425;

3.23 (4) promotional activities that may have given rise to the demand for this facility;

3.24 (5) benefits of this facility, including its uses to protect or enhance environmental quality,
3.25 and to increase reliability of energy supply in Minnesota and the region;

3.26 (6) possible alternatives for satisfying the energy demand or transmission needs including
3.27 but not limited to potential for increased efficiency and upgrading of existing energy
3.28 generation and transmission facilities, load-management programs, and distributed generation;

3.29 (7) the policies, rules, and regulations of other state and federal agencies and local
3.30 governments;

4.1 (8) any feasible combination of energy conservation improvements, required under
 4.2 section 216B.241, that can (i) replace part or all of the energy to be provided by the proposed
 4.3 facility, and (ii) compete with it economically;

4.4 (9) with respect to a high-voltage transmission line, the benefits of enhanced regional
 4.5 reliability, access, or deliverability to the extent these factors improve the robustness of the
 4.6 transmission system or lower costs for electric consumers in Minnesota;

4.7 (10) whether the applicant or applicants are in compliance with applicable provisions
 4.8 of sections 216B.1691 and 216B.2425, subdivision 7, and have filed or will file by a date
 4.9 certain an application for certificate of need under this section or for certification as a priority
 4.10 electric transmission project under section 216B.2425 for any transmission facilities or
 4.11 upgrades identified under section 216B.2425, subdivision 7;

4.12 (11) whether the applicant has made the demonstrations required under subdivision 3a;
 4.13 ~~and~~

4.14 (12) if the applicant is proposing a nonrenewable generating plant, the applicant's
 4.15 assessment of the risk of environmental costs and regulation on that proposed facility over
 4.16 the expected useful life of the plant, including a proposed means of allocating costs associated
 4.17 with that risk; and

4.18 (13) whether the applicant has demonstrated that at least 50 percent of the hours to be
 4.19 performed by construction employees at the proposed large energy facility construction site
 4.20 are by employees who are Minnesota residents for income tax purposes or employees who
 4.21 reside within 100 miles of the proposed large energy facility construction site.

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

4.23 Sec. 5. Minnesota Statutes 2016, section 216B.243, is amended by adding a subdivision
 4.24 to read:

4.25 **Subd. 3c. Reports on state and local employment opportunities.** (a) For purposes of
 4.26 this subdivision and subdivision 3, clause (13), "construction employees" means employees
 4.27 working in construction occupations, as defined by the United States Bureau of Labor
 4.28 Statistics.

4.29 (b) A project owner or developer building a large energy facility for which a certificate
 4.30 of need has been approved must submit to the commission a quarterly report, certifying to
 4.31 the best of the project owner's or developer's knowledge:

5.1 (1) the total number of hours worked that quarter by construction employees at the large
5.2 energy facility project site, including the full names and addresses of all the construction
5.3 employees;

5.4 (2) the total number of hours worked that quarter at the project site by construction
5.5 employees who are Minnesota residents for income tax purposes, including the full names
5.6 and addresses of all the Minnesota resident employees; and

5.7 (3) the total number of hours worked that quarter at the project site by construction
5.8 employees who reside within 100 miles of the project site, including the full names and
5.9 addresses of all the local resident employees. The commission must develop a standard
5.10 reporting form to facilitate compliance with this subdivision.

5.11 (c) The commission must prepare annual reports with the assistance of the Department
5.12 of Commerce and the Department of Labor and Industry that address the training and use
5.13 of Minnesota workers for the general and specialized skills required to build large energy
5.14 facilities approved by the commission. The reports must include the estimated economic
5.15 impacts resulting from the use of local and nonlocal labor on the projects. The reports must
5.16 be submitted each year to the chairs and ranking minority members of the legislative
5.17 committees with primary jurisdiction over energy policy.

5.18 (d) Reports submitted under this subdivision are public data under section 13.03,
5.19 subdivision 1.

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