

**SENATE
STATE OF MINNESOTA
NINETY-SECOND SESSION**

S.F. No. 643

(SENATE AUTHORS: FRENTZ)

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; modifying electric utility renewable energy standard obligations;
1.3 modifying Public Utility Commission authority to issue site permits for electric
1.4 generation facilities; amending Minnesota Statutes 2020, sections 216B.1691,
1.5 subdivisions 1, 2a, 2b, 2d, 2e, 2f, 3, 4, 5, 7, 9, 10, by adding a subdivision; 216E.03,
1.6 subdivision 10; 216F.04; repealing Minnesota Statutes 2020, section 216B.1691,
1.7 subdivision 2.

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

1.9 Section 1. Minnesota Statutes 2020, section 216B.1691, subdivision 1, is amended to read:

1.10 Subdivision 1. **Definitions.** (a) Unless otherwise specified in law, "eligible energy
1.11 technology" means an energy technology that generates electricity from the following
1.12 renewable energy sources:

1.13 (1) solar;

1.14 (2) wind;

1.15 (3) hydroelectric with a capacity of less than 100 megawatts;

1.16 (4) hydrogen, ~~provided that after January 1, 2010, the hydrogen must be generated from~~
1.17 the resources listed in this paragraph; or

1.18 (5) biomass, which includes, without limitation, landfill gas; an anaerobic digester
1.19 system; the predominantly organic components of wastewater effluent, sludge, or related
1.20 by-products from publicly owned treatment works, but not including incineration of
1.21 wastewater sludge to produce electricity; and an energy recovery facility used to capture
1.22 the heat value of mixed municipal solid waste or refuse-derived fuel from mixed municipal
1.23 solid waste as a primary fuel.

2.1 (b) "Electric utility" means a public utility providing electric service, a generation and
2.2 transmission cooperative electric association, a municipal power agency, or a power district.

2.3 (c) "Total retail electric sales" means the kilowatt-hours of electricity sold in a year by
2.4 an electric utility to retail customers of the electric utility or to a distribution utility for
2.5 distribution to the retail customers of the distribution utility. "Total retail electric sales"
2.6 does not include the sale of hydroelectricity supplied by a federal power marketing
2.7 administration or other federal agency, regardless of whether the sales are directly to a
2.8 distribution utility or are made to a generation and transmission utility and pooled for further
2.9 allocation to a distribution utility.

2.10 (d) "Carbon-free" means a technology that generates electricity without emitting carbon
2.11 dioxide.

2.12 (e) "Area of concern for environmental justice" means an area in Minnesota that, based
2.13 on the most recent data published by the United States Census Bureau, meets one or more
2.14 of the following conditions:

2.15 (1) 50 percent or more of the population is nonwhite;

2.16 (2) 40 percent or more of the households have an income at or below 185 percent of the
2.17 federal poverty level; or

2.18 (3) is within Indian country, as defined in United State Code, title 18, section 1151.

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

2.20 Sec. 2. Minnesota Statutes 2020, section 216B.1691, subdivision 2a, is amended to read:

2.21 Subd. 2a. **Eligible energy technology standard.** ~~(a) Except as provided in paragraph~~
2.22 ~~(b);~~ Each electric utility shall generate or procure sufficient electricity generated by an
2.23 eligible energy technology to provide its retail customers in Minnesota, or the retail customers
2.24 of a distribution utility to which the electric utility provides wholesale electric service, so
2.25 that at least the following standard percentages of the electric utility's total retail electric
2.26 sales to retail customers in Minnesota are generated by eligible energy technologies by the
2.27 end of the year indicated:

2.28 (1) 2012 12 percent

2.29 (2) 2016 17 percent

2.30 (3) 2020 20 percent

2.31 (4) 2025 ~~25~~ 40 percent.

2.32 (5) 2035 55 percent.

3.1 ~~(b) An electric utility that owned a nuclear generating facility as of January 1, 2007,~~
 3.2 ~~must meet the requirements of this paragraph rather than paragraph (a). An electric utility~~
 3.3 ~~subject to this paragraph must generate or procure sufficient electricity generated by an~~
 3.4 ~~eligible energy technology to provide its retail customers in Minnesota or the retail customer~~
 3.5 ~~of a distribution utility to which the electric utility provides wholesale electric service so~~
 3.6 ~~that at least the following percentages of the electric utility's total retail electric sales to~~
 3.7 ~~retail customers in Minnesota are generated by eligible energy technologies by the end of~~
 3.8 ~~the year indicated:~~

3.9 ~~(1) 2010 15 percent~~
 3.10 ~~(2) 2012 18 percent~~
 3.11 ~~(3) 2016 25 percent~~
 3.12 ~~(4) 2020 30 percent.~~

3.13 ~~Of the 30 percent in 2020, at least 25 percent must be generated by solar energy or wind~~
 3.14 ~~energy conversion systems and the remaining five percent by other eligible energy~~
 3.15 ~~technology. Of the 25 percent that must be generated by wind or solar, no more than one~~
 3.16 ~~percent may be solar generated and the remaining 24 percent or greater must be wind~~
 3.17 ~~generated.~~

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

3.19 Sec. 3. Minnesota Statutes 2020, section 216B.1691, subdivision 2b, is amended to read:

3.20 Subd. 2b. **Modification or delay of standard.** (a) The commission shall modify or delay
 3.21 the implementation of a standard obligation under subdivision 2a, 2f, or 2g, in whole or in
 3.22 part, if the commission determines it is in the public interest to do so. The commission,
 3.23 when requested to modify or delay implementation of a standard, must consider:

3.24 (1) the impact of implementing the standard on its customers' utility costs, including the
 3.25 economic and competitive pressure on the utility's customers;

3.26 (2) the environmental costs that would be incurred as a result of a delay or modification,
 3.27 based on the full range of environmental cost values established in section 216B.2422,
 3.28 subdivision 3;

3.29 ~~(2)~~ (3) the effects of implementing the standard on the reliability of the electric system;

3.30 ~~(3)~~ (4) technical advances or technical concerns;

3.31 ~~(4)~~ (5) delays in acquiring sites or routes due to rejection or delays of necessary siting
 3.32 or other permitting approvals;

- 4.1 ~~(5)~~ (6) delays, cancellations, or nondelivery of necessary equipment for construction or
 4.2 commercial operation of an eligible energy technology facility;
- 4.3 ~~(6)~~ (7) transmission constraints preventing delivery of service; ~~and~~
- 4.4 ~~(7)~~ (8) other statutory obligations imposed on the commission or a utility; and
- 4.5 (9) impacts on areas of concern for environmental justice.

4.6 The commission may modify or delay implementation of a standard obligation under
 4.7 clauses (1) to ~~(3)~~ (4) only if it finds implementation would cause significant rate impact,
 4.8 requires significant measures to address reliability, or raises significant technical issues.
 4.9 The commission may modify or delay implementation of a standard obligation under clauses
 4.10 ~~(4)~~ (5) to ~~(6)~~ (7) only if it finds that the circumstances described in those clauses were due
 4.11 to circumstances beyond an electric utility's control and make compliance not feasible.

4.12 (b) When evaluating transmission capacity constraints under paragraph (a), clause (7),
 4.13 the commission must consider whether the utility has:

4.14 (1) undertaken reasonable measures under the utility's control and consistent with the
 4.15 utility's obligations under local, state, and federal laws and regulations, and the utility's
 4.16 obligations as a member of a regional transmission organization or independent system
 4.17 operator, to acquire sites, necessary permit approvals, and necessary equipment to develop
 4.18 and construct new transmission lines or upgrade existing transmission lines to transmit
 4.19 electricity generated by eligible energy technologies; and

4.20 (2) taken all reasonable operational measures to maximize cost-effective electricity
 4.21 delivery from eligible energy technologies in advance of transmission availability.

4.22 ~~(b)~~ (c) When considering whether to delay or modify implementation of a standard
 4.23 obligation, the commission must give due consideration to a preference for electric generation
 4.24 through use of eligible energy technology and to the achievement of the standards set by
 4.25 this section.

4.26 ~~(e)~~ (d) An electric utility requesting a modification or delay in the implementation of a
 4.27 standard must file a plan to comply with its standard obligation in the same proceeding ~~that~~
 4.28 in which it is requesting requests the delay.

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

4.30 Sec. 4. Minnesota Statutes 2020, section 216B.1691, subdivision 2d, is amended to read:

4.31 Subd. 2d. **Commission order.** The commission shall issue necessary orders detailing
 4.32 the criteria and standards ~~by which it will~~ used to measure an electric utility's efforts to meet

5.1 the renewable energy ~~objectives of subdivision 2~~ standards under subdivisions 2a, 2f, and
 5.2 2g, and to determine whether the utility is making the required good faith effort achieving
 5.3 the standards. In this order, the commission shall include criteria and standards that protect
 5.4 against undesirable impacts on the reliability of the utility's system and economic impacts
 5.5 on the utility's ratepayers and that consider technical feasibility.

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

5.7 Sec. 5. Minnesota Statutes 2020, section 216B.1691, subdivision 2e, is amended to read:

5.8 Subd. 2e. **Rate impact of standard compliance; report.** Each electric utility must
 5.9 submit to the commission and the legislative committees with primary jurisdiction over
 5.10 energy policy a report containing an estimation of the rate impact of activities of the electric
 5.11 utility necessary to comply with this section. In consultation with the Department of
 5.12 Commerce, the commission shall determine a uniform reporting system to ensure that
 5.13 individual utility reports are consistent and comparable, and shall, by order, require each
 5.14 electric utility subject to this section to use that reporting system. The rate impact estimate
 5.15 must be for wholesale rates and, if the electric utility makes retail sales, the estimate shall
 5.16 also be for the impact on the electric utility's retail rates. Those activities include, without
 5.17 limitation, energy purchases, generation facility acquisition and construction, and
 5.18 transmission improvements. ~~An initial report must be submitted within 150 days of May~~
 5.19 ~~28, 2011. After the initial report,~~ A report must be updated and submitted as part of each
 5.20 integrated resource plan or plan modification filed by the electric utility under section
 5.21 216B.2422. The reporting obligation of an electric utility under this subdivision expires
 5.22 December 31, 2025, for an electric utility subject to subdivision 2a, paragraph (a), and
 5.23 December 31, 2020, for an electric utility subject to subdivision 2a, paragraph (b) 2040.

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

5.25 Sec. 6. Minnesota Statutes 2020, section 216B.1691, subdivision 2f, is amended to read:

5.26 Subd. 2f. **Solar energy standard.** (a) In addition to the requirements of subdivisions 2a
 5.27 and ~~2b~~ 2g, each public utility shall generate or procure sufficient electricity generated by
 5.28 solar energy to serve its retail electricity customers in Minnesota so that by the end of 2020,
 5.29 at least 1.5 percent of the utility's total retail electric sales to retail customers in Minnesota
 5.30 is generated by solar energy.

5.31 (b) For a public utility with more than 200,000 retail electric customers, at least ten
 5.32 percent of the 1.5 percent goal must be met by solar energy generated by or procured from
 5.33 solar photovoltaic devices with a nameplate capacity of 40 kilowatts or less.

6.1 (c) A public utility with between 50,000 and 200,000 retail electric customers:

6.2 (1) must meet at least ten percent of the 1.5 percent goal with solar energy generated by
6.3 or procured from solar photovoltaic devices with a nameplate capacity of 40 kilowatts or
6.4 less; and

6.5 (2) may apply toward the ten percent goal in clause (1) individual customer subscriptions
6.6 of 40 kilowatts or less to a community solar garden program operated by the public utility
6.7 that has been approved by the commission.

6.8 (d) The solar energy standard established in this subdivision is subject to all the provisions
6.9 of this section governing a utility's standard obligation under subdivision 2a.

6.10 (e) It is an energy goal of the state of Minnesota that, by 2030, ten percent of the retail
6.11 electric sales in Minnesota be generated by solar energy.

6.12 (f) For the purposes of calculating the total retail electric sales of a public utility under
6.13 this subdivision, there shall be excluded retail electric sales to customers that are:

6.14 (1) an iron mining extraction and processing facility, including a scam mining facility
6.15 as defined in Minnesota Rules, part 6130.0100, subpart 16; or

6.16 (2) a paper mill, wood products manufacturer, sawmill, or oriented strand board
6.17 manufacturer.

6.18 Those customers may not have included in the rates charged to them by the public utility
6.19 any costs of satisfying the solar standard specified by this subdivision.

6.20 (g) A public utility may not use energy used to satisfy the solar energy standard under
6.21 this subdivision to satisfy its standard obligation under subdivision 2a. A public utility may
6.22 not use energy used to satisfy the standard obligation under subdivision 2a to satisfy the
6.23 solar standard under this subdivision.

6.24 (h) Notwithstanding any law to the contrary, a solar renewable energy credit associated
6.25 with a solar photovoltaic device installed and generating electricity in Minnesota after
6.26 August 1, 2013, but before 2020 may be used to meet the solar energy standard established
6.27 under this subdivision.

6.28 ~~(i) Beginning July 1, 2014, and each July 1 through 2020, each public utility shall file~~
6.29 ~~a report with the commission reporting its progress in achieving the solar energy standard~~
6.30 ~~established under this subdivision.~~

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

7.1 Sec. 7. Minnesota Statutes 2020, section 216B.1691, is amended by adding a subdivision
7.2 to read:

7.3 Subd. 2g. **Carbon-free standard.** In addition to the requirements under subdivisions
7.4 2a and 2f, each electric utility must generate or procure sufficient electricity generated from
7.5 a carbon-free energy technology to provide its retail customers in Minnesota, or the retail
7.6 customers of a distribution utility to which the electric utility provides wholesale electric
7.7 service, so that at least the following standard percentages of the electric utility's total retail
7.8 electric sales to retail customers in Minnesota are generated from carbon-free energy
7.9 technologies by the end of the year indicated:

- | | | | |
|------|-----|-------------|---------------------|
| 7.10 | (1) | <u>2025</u> | <u>65 percent</u> |
| 7.11 | (2) | <u>2030</u> | <u>80 percent</u> |
| 7.12 | (3) | <u>2035</u> | <u>90 percent</u> |
| 7.13 | (4) | <u>2040</u> | <u>100 percent.</u> |

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

7.15 Sec. 8. Minnesota Statutes 2020, section 216B.1691, subdivision 3, is amended to read:

7.16 Subd. 3. **Utility plans filed with commission.** (a) Each electric utility shall report on
7.17 its plans, activities, and progress with regard to the ~~objectives and standards of~~ standard
7.18 obligations under this section in its filings under section 216B.2422 or in a separate report
7.19 submitted to the commission every two years, whichever is more frequent, demonstrating
7.20 to the commission the utility's effort to comply with this section. In its resource plan or a
7.21 separate report, each electric utility shall provide a description of:

7.22 (1) the status of the utility's renewable energy mix relative to the ~~objective and standards~~
7.23 standard obligations;

7.24 (2) efforts taken to meet the ~~objective and standards~~ standard obligations;

7.25 (3) any obstacles encountered or anticipated in meeting the ~~objective or standards; and~~
7.26 standard obligations;

7.27 (4) potential solutions to the obstacles;;

7.28 (5) the number of Minnesotans employed to construct facilities designed to meet the
7.29 utility's standard obligations under this section;

7.30 (6) efforts taken to retain and retrain workers employed at electric generating facilities
7.31 that the utility has ceased operating or designated to cease operating for new positions
7.32 constructing or operating facilities to meet a utility's standard obligation;

8.1 (7) impacts of facilities designed to meet the utility's standard obligations under this
 8.2 section on areas of concern for environmental justice; and

8.3 (8) efforts to increase the diversity of both its workforce and vendors.

8.4 (b) The commissioner shall compile the information provided to the commission under
 8.5 paragraph (a), and report to the chairs of the house of representatives and senate committees
 8.6 with jurisdiction over energy and environment policy issues as to the progress of utilities
 8.7 in the state, including the progress of each individual electric utility, in increasing the amount
 8.8 of renewable energy provided to retail customers, with any recommendations for regulatory
 8.9 or legislative action, by January 15 of each odd-numbered year.

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

8.11 Sec. 9. Minnesota Statutes 2020, section 216B.1691, subdivision 4, is amended to read:

8.12 Subd. 4. **Renewable energy credits.** (a) To facilitate compliance with this section, the
 8.13 commission, by rule or order, shall establish by January 1, 2008, a program for tradable
 8.14 renewable energy credits for electricity generated by eligible energy technology. The credits
 8.15 must represent energy produced by an eligible energy technology, as defined in subdivision
 8.16 1. Each kilowatt-hour of renewable energy credits must be treated the same as a kilowatt-hour
 8.17 of eligible energy technology generated or procured by an electric utility if it is produced
 8.18 by an eligible energy technology. The program must permit a credit to be used only once.
 8.19 The program must treat all eligible energy technology equally and shall not give more or
 8.20 less credit to energy based on the state where the energy was generated or the technology
 8.21 with which the energy was generated. The commission must determine the period in which
 8.22 the credits may be used for purposes of the program.

8.23 (b) In lieu of generating or procuring energy directly to satisfy ~~the eligible energy~~
 8.24 ~~technology objective or~~ a standard of obligation under this section, an electric utility may
 8.25 utilize renewable energy credits allowed under the program to satisfy the ~~objective or~~
 8.26 ~~standard.~~

8.27 (c) The commission shall facilitate the trading of renewable energy credits between
 8.28 states.

8.29 (d) The commission shall require all electric utilities to participate in a
 8.30 commission-approved credit-tracking system or systems. Once a credit-tracking system is
 8.31 in operation, the commission shall issue an order establishing protocols for trading credits.

8.32 ~~(e) An electric utility subject to subdivision 2a, paragraph (b), may not sell renewable~~
 8.33 ~~energy credits to an electric utility subject to subdivision 2a, paragraph (a), until 2021.~~

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

9.2 Sec. 10. Minnesota Statutes 2020, section 216B.1691, subdivision 5, is amended to read:

9.3 Subd. 5. **Technology based on fuel combustion.** (a) Electricity produced by fuel
9.4 combustion through fuel blending or co-firing under paragraph (b) may only count toward
9.5 a utility's ~~objectives or standards~~ standard obligation if the generation facility:

9.6 (1) was constructed in compliance with new source performance standards promulgated
9.7 under the federal Clean Air Act, United States Code, title 42, section 7401 et seq., for a
9.8 generation facility of that type; or

9.9 (2) employs the maximum achievable or best available control technology available for
9.10 a generation facility of that type.

9.11 (b) An eligible energy technology may blend or co-fire a fuel listed in subdivision 1,
9.12 paragraph (a), clause (5), with other fuels in the generation facility, but only the percentage
9.13 of electricity that is attributable to a fuel listed in that clause can be counted toward an
9.14 electric utility's ~~renewable energy objectives~~ standard obligation.

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

9.16 Sec. 11. Minnesota Statutes 2020, section 216B.1691, subdivision 7, is amended to read:

9.17 Subd. 7. **Compliance.** The commission must regularly investigate whether an electric
9.18 utility is in compliance with its ~~good faith objective under subdivision 2 and standard~~
9.19 ~~obligation under subdivision~~ subdivisions 2a, 2f, and 2g. If the commission finds
9.20 noncompliance, it may order the electric utility to construct facilities, purchase energy
9.21 generated by eligible energy technology, purchase renewable energy credits, or engage in
9.22 other activities to achieve compliance. If an electric utility fails to comply with an order
9.23 under this subdivision, the commission may impose a financial penalty on the electric utility
9.24 in an amount not to exceed the estimated cost of the electric utility to achieve compliance.
9.25 The penalty may not exceed the lesser of the cost of constructing facilities or purchasing
9.26 credits. The commission must deposit financial penalties imposed under this subdivision
9.27 in the energy and conservation account established in the special revenue fund under section
9.28 216B.241, subdivision 2a. This subdivision is in addition to and does not limit any other
9.29 authority of the commission to enforce this section.

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

10.1 Sec. 12. Minnesota Statutes 2020, section 216B.1691, subdivision 9, is amended to read:

10.2 Subd. 9. **Local benefits.** (a) The commission shall take all reasonable actions within its
 10.3 statutory authority to ensure this section is implemented to maximize in a manner that
 10.4 maximizes net benefits to all Minnesota citizens, balancing throughout the state, including
 10.5 but not limited to:

10.6 (1) the creation of high-quality jobs in Minnesota paying wages that support families;

10.7 (2) recognition of the rights of workers to organize and unionize;

10.8 (3) ensuring that workers have the necessary tools, opportunities, and economic assistance
 10.9 to adapt successfully during the energy transition, particularly in areas of concern for
 10.10 environmental justice;

10.11 (4) ensuring that all Minnesotans share the benefits of clean and renewable energy, and
 10.12 the opportunity to participate fully in the clean energy economy;

10.13 (5) ensuring that statewide air emissions are reduced, particularly in areas of concern
 10.14 for environmental justice; and

10.15 (6) the provision of affordable electric service to Minnesotans, particularly to low-income
 10.16 consumers.

10.17 (b) The commission must also implement this section in a manner that balances factors
 10.18 such as local ownership of or participation in energy production, development and ownership
 10.19 of eligible energy technology facilities by independent power producers, Minnesota utility
 10.20 ownership of eligible energy technology facilities, the costs of energy generation to satisfy
 10.21 the renewable standard and carbon-free standards, and the reliability of electric service to
 10.22 Minnesotans.

10.23 (c) When making investments to meet the requirements under this section, utilities are
 10.24 encouraged to locate new energy generating facilities in Minnesota communities where
 10.25 fossil-fuel generating plants have been retired or are scheduled for retirement.

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

10.27 Sec. 13. Minnesota Statutes 2020, section 216B.1691, subdivision 10, is amended to read:

10.28 Subd. 10. **Utility acquisition of resources.** A competitive resource acquisition process
 10.29 established by the commission prior to June 1, 2007, shall not apply to a utility for the
 10.30 construction, ownership, and operation of generation facilities used to satisfy the requirements
 10.31 of this section unless, upon a finding that it is in the public interest, the commission issues
 10.32 an order on or after June 1, 2007, that requires compliance by a utility with a competitive

11.1 resource acquisition process. A utility that owns a nuclear generation facility and intends
 11.2 to construct, own, or operate facilities under this section shall file with the commission ~~on~~
 11.3 ~~or before March 1, 2008,~~ as part of the utility's filing under section 216B.2422 a renewable
 11.4 energy plan setting forth the manner in which the utility proposes to meet the requirements
 11.5 of this section. ~~The utility shall update the plan as necessary in its filing under section~~
 11.6 ~~216B.2422.~~ The commission shall approve the plan unless it determines, after public hearing
 11.7 and comment, that the plan is not in the public interest. As part of its determination of public
 11.8 interest, the commission shall consider the plan's impact on balancing the state's interest in:

11.9 (1) promoting the policy of economic development in rural areas through the development
 11.10 of renewable energy projects, as expressed in subdivision 9;

11.11 (2) maintaining the reliability of the state's electric power grid; and

11.12 (3) minimizing cost impacts on ratepayers.

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

11.14 Sec. 14. Minnesota Statutes 2020, section 216E.03, subdivision 10, is amended to read:

11.15 Subd. 10. **Final decision.** (a) No site permit shall be issued in violation of the site
 11.16 selection standards and criteria established in this section and in rules adopted by the
 11.17 commission. When the commission designates a site, it shall issue a site permit to the
 11.18 applicant with any appropriate conditions. The commission shall publish a notice of its
 11.19 decision in the State Register within 30 days of issuance of the site permit.

11.20 (b) No route permit shall be issued in violation of the route selection standards and
 11.21 criteria established in this section and in rules adopted by the commission. When the
 11.22 commission designates a route, it shall issue a permit for the construction of a high-voltage
 11.23 transmission line specifying the design, routing, right-of-way preparation, and facility
 11.24 construction it deems necessary, and with any other appropriate conditions. The commission
 11.25 may order the construction of high-voltage transmission line facilities that are capable of
 11.26 expansion in transmission capacity through multiple circuiting or design modifications. The
 11.27 commission shall publish a notice of its decision in the State Register within 30 days of
 11.28 issuance of the permit.

11.29 (c) The commission may require, as a condition of permit issuance, that the recipient of
 11.30 a site permit to construct a large electric power generating plant, including all of the permit
 11.31 recipient's construction contractors and subcontractors on the project, pay no less than the
 11.32 prevailing wage rate, as defined in section 177.42. The commission may also require, as a
 11.33 condition of modifying a site permit for a large electric power generating plant repowering

12.1 project as defined in section 216B.243, subdivision 8, paragraph (b), that the recipient of
 12.2 the site permit, including all of the permit recipient's construction contractors and
 12.3 subcontractors on the repowering project, pay no less than the prevailing wage rate as defined
 12.4 in section 177.42.

12.5 (d) When deciding whether to require payment of no less than the prevailing wage rate
 12.6 under paragraph (c), the commission must consider relevant factors including:

12.7 (1) the direct and indirect economic impact of construction; and

12.8 (2) the quality, efficiency, and safety of construction.

12.9 Sec. 15. Minnesota Statutes 2020, section 216F.04, is amended to read:

12.10 **216F.04 SITE PERMIT.**

12.11 (a) No person may construct an LWECS without a site permit issued by the Public
 12.12 Utilities Commission.

12.13 (b) Any person seeking to construct an LWECS shall submit an application to the
 12.14 commission for a site permit in accordance with this chapter and any rules adopted by the
 12.15 commission. The permitted site need not be contiguous land.

12.16 (c) The commission shall make a final decision on an application for a site permit for
 12.17 an LWECS within 180 days after acceptance of a complete application by the commission.
 12.18 The commission may extend this deadline for cause.

12.19 (d) The commission may place conditions in a permit and may deny, modify, suspend,
 12.20 or revoke a permit.

12.21 (e) The commission may require, as a condition of permit issuance, that the recipient of
 12.22 a site permit to construct an LWECS with a nameplate capacity above 25,000 kilowatts,
 12.23 including all of the permit recipient's construction contractors and subcontractors on the
 12.24 project, pay no less than the prevailing wage rate, as defined in section 177.42. The
 12.25 commission may also require, as a condition of modifying a site permit for an LWECS
 12.26 repowering project as defined in section 216B.243, subdivision 8, paragraph (b), that the
 12.27 recipient of the site permit, including all of the permit recipient's construction contractors
 12.28 and subcontractors on the repowering project, pay no less than the prevailing wage rate as
 12.29 defined in section 177.42.

12.30 (f) When deciding whether to require payment of no less than the prevailing wage rate
 12.31 under paragraph (e), the commission must consider relevant factors including:

12.32 (1) the direct and indirect economic impact of construction; and

13.1 (2) the quality, efficiency, and safety of construction.

13.2 Sec. 16. **REPEALER.**

13.3 Minnesota Statutes 2020, section 216B.1691, subdivision 2, is repealed.

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

216B.1691 RENEWABLE ENERGY OBJECTIVES.

Subd. 2. **Eligible energy objectives.** Each electric utility shall make a good faith effort to generate or procure sufficient electricity generated by an eligible energy technology to provide its retail consumers, or the retail customers of a distribution utility to which the electric utility provides wholesale electric service, so that commencing in 2005, at least one percent of the electric utility's total retail electric sales to retail customers in Minnesota is generated by eligible energy technologies and seven percent of the electric utility's total retail electric sales to retail customers in Minnesota by 2010 is generated by eligible energy technologies.