

S.F. No. 955 – Clean Energy First

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Section 1. Reasonable rate. Directs the Public Utilities Commission (PUC) to set rates based on cost of service, with consideration for other non-cost factors including two new elements--economic growth and job retention, in addition to existing factors. Adds a reference to the goals of the statute that governs competitive electric rates for energy-intensive trade-exposed customers.

Section 2. Factors considered; generally. Requires the PUC to allow a public utility to recover any positive book value of a generating facility if the PUC orders the public utility to terminate operations of the facility as part of a resource planning order.

Section 3. Economic and community development. Authorizes the PUC to allow a public utility to recover expenses from ratepayers for their efforts to maximize employment of local workers to construct and maintain generation facilities that supply power to the utility's customers.

Section 4. Demand-side management program. By January 1, 2022, requires an investor-owned electric utility to petition the PUC for approval of a new demand-side management program or modification of an existing program, which allows compensation for reducing demand or energy to a specified level. Limits eligibility for the program to large industrial customers, as defined.

Section 5. Commission authority. Allows the PUC to approve or disapprove investments and expenditures to satisfy the renewable energy standards to include those made to upgrade or modify existing transmission facilities primarily used to transmit electricity generated by a carbon-free resource, regardless of whether the public utility has satisfied the renewable energy standards.

Section 6. Cost recovery. Allows a utility to recover costs incurred by the utility for their efforts to maximize employment of local workers to construct and maintain generation facilities that supply power to the utility's customers.

Section 7. Local benefits. Requires the PUC to take all reasonable actions to ensure that the renewable energy standard statute is implemented to maximize benefits for local workers and balances local job impacts along with other factors.

Section 8. Definitions. Amends definitions for “renewable energy,” “refurbish,” and “energy storage system,” and adds new definitions for “carbon-free resource,” “carbon-emitting resource,” “local job impacts,” and “local workers.”

Section 9. Resource plan filing and approval. Replaces terms to reflect emphasis on carbon-free resources.

Section 10. Preference for clean energy resources. States a preference for clean energy resources in utility resource planning. Requires a utility to consider carbon-free resources first to satisfy additional generation needs. Allows the PUC to approve a utility’s proposal for a new or refurbished nonrenewable energy facility only if the utility demonstrates that a carbon-free resource is not in the public interest. Upon approval by the PUC, allows a public utility to own the generation resources that replace the retiring nonrenewable energy facility, provided that (1) for a public utility with more than 200,000 customers in Minnesota the resource plan results in an 80 percent or greater reduction in carbon emissions from 2005 levels by 2030; (2) for a public utility with between 50,000 and 200,000 customers in Minnesota, the resource plan results in the utility having a 65 percent reduction in carbon emissions from 2005 levels by 2030; and (3) the public utility demonstrates that ownership is reasonable in the public interest.

Section 11. Preference for local job creation. Requires a utility to include as part of its resource plan filing a report on local job impacts and efforts to maximize construction employment opportunities for local workers. Requires the PUC to give preference to proposals that maximize local job creation when evaluating any utility proposal that involves selection or construction of facilities.

Section 12. Resource planning conference. Allows the commissioner of commerce to convene utilities subject to the resource planning statute to share best practices, help resolve issues surrounding the resource planning process, and promote coordination across resource plans. Requires the commissioner to seek input from likely attendees regarding conference topics. Specifies conference agenda items.

Section 13. Nuclear moratorium. Abolishes the prohibition on issuing new nuclear power plant certificates of need by the PUC.

Section 14. Power plant host community transition planning. Requires the commissioners of commerce, labor and employment, and employment economic development to work together with stakeholders and the communities that have power plants that will close on mitigation of the impacts of the eventual closure to those workers and the host community.

Section 15. Coordinated electric transmission study. Requires the commissioner of commerce to request the Midcontinent Independent System Operator (MISO) to conduct an engineering study on reliability and estimated costs of operational changes and enhancements to the transmission system necessary due to increased use of carbon free electrical generation sources. Requires the study to be completed and submitted to the PUC by December 1, 2022.

Section 16. Cost of service allocation evaluation. Requires the PUC and the commissioner of commerce to evaluate the current cost of service allocation for public utilities providing electric service in Minnesota and to submit the evaluation to the legislature by January 15, 2022.

Section 17. Repealer. Repeals a subdivision regarding preference for a renewable energy facility within the resource planning statute, which is being replaced by the language in section 10 of the bill (preference for carbon-free resources).

Section 18. Effective date. Provides an effective date of August 1, 2021, for all sections except as otherwise specified.