

Minnesota

The 88th session of the Minnesota Legislature convened Jan. 8, 2013. From the outcome of the November elections – Minnesota’s Legislature significantly changed from both bodies being controlled by Republicans to both bodies being controlled by Democrats....with Democrat Governor Mark Dayton

The legislature adjourned on May 20th – the constitutional deadline. The Governor, the 201 MN House of Representatives; US Senator Al Franken and our 8 congressional seats are up for election in 2014.

House of Representatives

73 DFL members and 61 Republican members

Rep. Paul Thisen (DFL), Minneapolis - Speaker of the House

Rep. Erin Murphy (DFL), St. Paul House Majority leader

Rep. Kurt Daudt (R), Crown House minority leader.

Nearly 1/3 of the House of Representative are new.

The House holds the most number of women in state’s history— 44.

Senate

38 DFL members and 29 Republicans. The Senators are elected to a four year term.

Senator Tom Bakk (DFL), Cook - Senate Majority Leader

Senator Sandy Pappas (DFL), St. Paul - President of the Senate

Senator David Hann (R), Eden Prairie –Senate Minority leader

2013 Session Summary

Below are some of the bills that were debated impacting Minnesota’s investor owned utilities during the 2013 Legislative Session.

Solar Legislation

A lot of solar legislation was introduced this year, including: Solar Mandate of 10% by 2030; an Increase in the Renewable Energy Standard (RES) to 40% by 2030; and a 1.33% solar “charge” to provide incentives for solar installations. All of this legislation was discussed in both the House and Senate Energy Committees and much of it passed to the House and Senate floors.

In a highly unusual procedural move, the Conference Committee Report on the Final Omnibus Energy Bill (HF956/SF 901) was amended into the Omnibus Jobs & Economic Development bill (HF 729) to ensure its passage. The final Energy Bill included:

- 1.5% solar mandate by 2020 only on investor owned utilities; 10% must be from less than 20 KW systems
- Exempts mines and paper mills from the costs of a solar mandate
- Investor owned utilities must put 5% of their CIP money towards MN-made solar fund
- Raises net metering level from 40KW to 1000 KW for investor owned utilities (coops & munis stay at 40KW)
- Allows PUC approval of cost recovery of certain infrastructure investments; certain emission reduction projects and certain transmission projects.
- Xcel Energy must create a “community solar garden”
- Allows PUC to limit additional net metering capacity on a electric system once the level reaches 4% of avg annual sales
- Size to load: Utility may limit the capacity to 120% of the customer’s annual electricity consumption

- Legislative Energy Commission, with stakeholders, to develop a framework for a transition to an economy based 100% on renewable energy. Report to Legislature January 2014.
- PUC order utilities to conduct study on impacts on costs and reliability of increasing RES to 40% by 2030. Study due November 2014.
- Dept. of Commerce to study the value of on-site energy storage
- Dept. of Commerce to study the value of solar thermal.
- Dept. of Commerce to study how to maximize long-term energy savings, and carbon reductions; and provide incentives to meet the state’s energy goals; identify funding sources for projects & programs. Report due January 2015.

Personal Property Tax

House did not debate/was in Omnibus Senate Tax bill

Only the utility industry pays taxes on personal property in MN. Legislation to increase the tax rate; to tighten the pollution control exemptions; and remove the pollution control exemption & allow a tax credit were heard in the Senate Tax committee. The Omnibus tax bill included two personal property taxes: the expansion of the personal property tax to pollution control equipment and Expanded the personal property tax to include electric generating equipment. The final Tax bill did NOT include any personal property tax provisions.

“Buy the Farm” Legislation

Included in the House Omnibus Env. Bill/not in Senate Omnibus Env. Bill – Amended to HF 854 in final days

The final Omnibus Environment bill did NOT include the “Buy the Farm” provisions. However, in the final days of the session, it was amended onto another bill on the Senate floor and passed to the House, where they concurred. This new law will force electric utilities to buy a landowner’s entire contiguous property when a transmission line crosses any portion of that land and imposes a tighter deadline for utilities when challenging a “Buy the Farm” election.

Legislation to Eliminate Interim Rates (HF 158/SF 92)

On Senate Floor/House did not debate

Legislation to eliminate interim rates was introduced in the House and Senate this year. The bill passed the Senate Energy committee – amended to increase the interest rates utilities must pay if final rates are lower than interim rates. It was prime rate; it was increased to prime plus 2%. The House Energy Chair has indicated the bill will be heard next year in the committee.

Introduced in 2013 but not debated. Could be debated in 2014

HF 101/SF 903	Notice to cities of certain utility disconnections (<i>On House Floor/not heard in Senate</i>)
HF 945/SF 911	Municipalization – amend law so “loss of revenue by the utility” not considered
HF 1450/SF 1490	Franchise agreements – conservation & renewables written in agreements
HF 1533/SF 545	Cost of Service – PUC must consider cost to provide service to type of customer when determining rates
HF 1820	Nuclear – prohibit Certificate of Need for additional storage
SF 1628	Require utilities to determine a mechanism to decouple utility revenues from utility sales volumes