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Printed Page No. **335**

State of Minnesota

HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH SESSION

HOUSE FILE No. **2903**

February 14, 2008

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The bill was read for the first time and referred to the Energy Finance and Policy Division

March 6, 2008

Committee Recommendation and Adoption of Report:

To Pass as Amended

Read Second Time

1.1 A bill for an act
1.2 relating to energy; extending definition of biomass with respect to renewable
1.3 energy objectives, distributed energy resources, and renewable energy resource
1.4 planning; amending Minnesota Statutes 2006, sections 216B.2411, subdivision
1.5 2; 216B.2422, subdivision 1; Minnesota Statutes 2007 Supplement, section
1.6 216B.1691, subdivision 1.

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

1.8 Section 1. Minnesota Statutes 2007 Supplement, section 216B.1691, subdivision 1,
1.9 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) solar; (2) wind; (3) hydroelectric with a capacity of less
1.13 than 100 megawatts; (4) hydrogen, provided that after January 1, 2010, the hydrogen must
1.14 be generated from the resources listed in this clause; or (5) biomass, which includes,
1.15 without limitation, landfill gas; an anaerobic digester system; wastewater effluent,
1.16 sludge, or related byproducts, but not including incineration of wastewater sludge to
1.17 produce electricity; and an energy recovery facility used to capture the heat value of
1.18 mixed municipal solid waste or refuse-derived fuel from mixed municipal solid waste
1.19 as a primary fuel.

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

1.23 (c) "Total retail electric sales" means the kilowatt-hours of electricity sold in a year
1.24 by an electric utility to retail customers of the electric utility or to a distribution utility for
1.25 distribution to the retail customers of the distribution utility.

2.1 Sec. 2. Minnesota Statutes 2006, section 216B.2411, subdivision 2, is amended to read:

2.2 Subd. 2. **Definitions.** (a) For the purposes of this section, the terms defined in this
2.3 subdivision and section 216B.241, subdivision 1, have the meanings given them.

2.4 (b) "Eligible renewable energy sources" means fuels and technologies to generate
2.5 electricity through the use of any of the resources listed in section 216B.1691, subdivision
2.6 1, paragraph (a), ~~clause (1)~~, except that the incineration of wastewater sludge is not an
2.7 eligible renewable energy source, and the term "biomass" has the meaning provided
2.8 under paragraph (c).

2.9 (c) "Biomass" includes:

2.10 (1) methane or other combustible gases derived from the processing of plant or
2.11 animal material;

2.12 (2) alternative fuels derived from soybean and other agricultural plant oils or animal
2.13 fats;

2.14 (3) combustion of barley hulls, corn, soy-based products, or other agricultural
2.15 products;

2.16 (4) wood residue from the wood products industry in Minnesota or other wood
2.17 products such as short-rotation woody or fibrous agricultural crops; ~~and~~

2.18 (5) landfill gas;

2.19 (6) wastewater effluent, sludge, or related byproducts; and

2.20 (7) mixed municipal solid waste, and refuse-derived fuel from mixed municipal
2.21 solid waste.

2.22 Sec. 3. Minnesota Statutes 2006, section 216B.2422, subdivision 1, is amended to read:

2.23 Subdivision 1. **Definitions.** (a) For purposes of this section, the terms defined in this
2.24 subdivision have the meanings given them.

2.25 (b) "Utility" means an entity with the capability of generating 100,000 kilowatts or
2.26 more of electric power and serving, either directly or indirectly, the needs of 10,000 retail
2.27 customers in Minnesota. Utility does not include federal power agencies.

2.28 (c) "Renewable energy" means electricity generated through use of any of the
2.29 following resources:

2.30 (1) wind;

2.31 (2) solar;

2.32 (3) geothermal;

2.33 (4) hydro;

2.34 (5) trees or other vegetation; ~~or~~

2.35 (6) landfill gas; or

3.1 (7) wastewater effluent, sludge, or related byproducts, except that the incineration of
3.2 wastewater sludge is not a renewable energy.

3.3 (d) "Resource plan" means a set of resource options that a utility could use to
3.4 meet the service needs of its customers over a forecast period, including an explanation
3.5 of the supply and demand circumstances under which, and the extent to which, each
3.6 resource option would be used to meet those service needs. These resource options
3.7 include using, refurbishing, and constructing utility plant and equipment, buying power
3.8 generated by other entities, controlling customer loads, and implementing customer
3.9 energy conservation.

3.10 (e) "Refurbish" means to rebuild or substantially modify an existing electricity
3.11 generating resource of 30 megawatts or greater.

3.12 Sec. 4. **EFFECTIVE DATE.**

3.13 Sections 1 to 3 are effective the day following final enactment.