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State of Minnesota

HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH SESSION

HOUSE FILE No. **3585**

February 28, 2008

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

March 10, 2008

Committee Recommendation and Adoption of Report:

To Pass as Amended and re-referred to the Committee on Local Government and Metropolitan Affairs

March 17, 2008

Committee Recommendation and Adoption of Report: To Pass as Amended and re-referred to the Committee on Taxes

April 21, 2008

Committee Recommendation and Adoption of Report:

To Pass as Amended

Read Second Time

April 30, 2008

Calendar For The Day, Amended

Read Third Time as Amended

Passed by the House as Amended and transmitted to the Senate to include Floor Amendments

1.1 A bill for an act
1.2 relating to energy; authorizing certain governments to engage in energy-related
1.3 activities, including ownership of renewable energy projects; amending
1.4 Minnesota Statutes 2006, section 216B.1612, by adding a subdivision; proposing
1.5 coding for new law in Minnesota Statutes, chapter 373.

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

1.7 Section 1. Minnesota Statutes 2006, section 216B.1612, is amended by adding a
1.8 subdivision to read:

1.9 Subd. 9. Local government and political subdivision powers. A Minnesota
1.10 political subdivision or local government may plan, develop, purchase, acquire, construct,
1.11 and own a C-BED project and may sell output from that project as provided for in this
1.12 section. A Minnesota political subdivision or local government may not acquire property
1.13 under this subdivision through eminent domain. A Minnesota political subdivision or
1.14 local government may operate, maintain, improve, and expand the C-BED project subject
1.15 to any restrictions in this section.

1.16 Sec. 2. [373.48] FINANCING ENERGY PURCHASE CONTRACTS AND
1.17 PARTICIPATION IN GENERATION AND TRANSMISSION PROJECTS.

1.18 Subdivision 1. Definitions. For the purpose of this section, "project" means a facility
1.19 that generates electricity from renewable energy sources listed in section 216B.1691,
1.20 subdivision 1, paragraph (a), clause (1).

1.21 Subd. 2. Energy purchase contracts; generation projects. A county may, for
1.22 itself or in cooperation with other counties, enter into agreements for the purchase of
1.23 electrical energy from one or more projects, and may enter into agreements with a utility
1.24 for the purchase and sale of the electrical energy so purchased. Agreements may be for a

2.1 term of one year to 20 years. A county may also acquire an ownership interest in a project
2.2 and may enter into agreements for the purchase and sale of electrical energy produced. A
2.3 county may not sell, transmit, or distribute the electrical energy at retail or provide for
2.4 end use from an off-site facility by the county or counties of the electrical energy. A
2.5 county's on-site generation authorized under this subdivision is limited to a total of ten
2.6 megawatts. Nothing in this section modifies the exclusive service territories or exclusive
2.7 right to serve as provided in sections 216B.37 to 216B.43. The energy to be purchased by
2.8 a county under agreements entered into under this section and the energy produced that is
2.9 commensurate with the county's interest in projects shall not in any year exceed the total
2.10 amount of energy used by the county for its own facilities in the immediately preceding
2.11 year, regardless of the source from which energy was obtained.