

## HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH  
SESSION

HOUSE FILE No. 1250

March 2, 2009

Authorized by Hornstein; Murphy, E.; Falk; Hilty; Hortman and others

The bill was read for the first time and referred to the Transportation and Transit Policy and Oversight Division

March 16, 2009

Committee Recommendation and Adoption of Report:

To Pass as Amended and re-referred to the Energy Finance and Policy Division

March 18, 2009

Committee Recommendation and Adoption of Report:

To Pass as Amended and re-referred to the Committee on Commerce and Labor

By motion, recalled and re-referred to the Committee on Environment Policy and Oversight

March 26, 2009

Committee Recommendation and Adoption of Report:

To Pass as Amended

Read Second Time

May 12, 2009

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 transportation; regulating electric vehicle infrastructure; amending  
 1.3 Minnesota Statutes 2008, sections 16C.137, subdivision 1; 169.011, by adding  
 1.4 subdivisions; 216B.02, subdivision 4; 216B.241, subdivision 9; Laws 2006,  
 1.5 chapter 245, section 1; Laws 2008, chapter 287, article 1, section 118; proposing  
 1.6 coding for new law in Minnesota Statutes, chapter 325F.

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

1.8 Section 1. Minnesota Statutes 2008, section 16C.137, subdivision 1, is amended to read:

1.9 Subdivision 1. **Goals and actions.** (a) Using 2005 as a baseline, the state of  
 1.10 Minnesota shall reduce the use of gasoline by on-road vehicles owned by state departments  
 1.11 by 25 percent by 2010 and by 50 percent by 2015, and the use of petroleum-based diesel  
 1.12 fuel in diesel-fueled vehicles by ten percent by 2010 and 25 percent by 2015.

1.13 (b) To meet the goals established in paragraph (a), each state department must,  
 1.14 whenever legally, technically, and economically feasible, subject to the specific needs of  
 1.15 the department and responsible management of agency finances:

1.16 (1) ensure that all new on-road vehicles purchased, excluding emergency and law  
 1.17 enforcement vehicles:

1.18 (i) use "cleaner fuels" as that term is defined in section 16C.135, subdivision 1,  
 1.19 clauses (1), (3), and (4); ~~or~~

1.20 (ii) have fuel efficiency ratings that exceed 30 miles per gallon for city usage or 35  
 1.21 miles per gallon for highway usage, including but not limited to hybrid electric cars and  
 1.22 hydrogen-powered vehicles; or

1.23 (iii) are powered solely by electricity;

1.24 (2) increase its use of renewable transportation fuels, including ethanol, biodiesel,  
 1.25 and hydrogen from agricultural products; and

2.1 (3) increase its use of Web-based Internet applications and other electronic  
2.2 information technologies to enhance the access to and delivery of government information  
2.3 and services to the public, and reduce the reliance on the department's fleet for the delivery  
2.4 of such information and services.

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

2.6 Sec. 2. Minnesota Statutes 2008, section 169.011, is amended by adding a subdivision  
2.7 to read:

2.8 **Subd. 26a. Electric vehicle.** (a) "Electric vehicle" means a motor vehicle that is able  
2.9 to be powered by an electric motor drawing current from rechargeable storage batteries,  
2.10 fuel cells, or other portable sources of electrical current, and meets or exceeds applicable  
2.11 regulations in Code of Federal Regulations, title 49, part 571, and successor requirements.

2.12 (b) "Electric vehicle" includes:

2.13 (1) a neighborhood electric vehicle;

2.14 (2) a medium-speed electric vehicle; and

2.15 (3) a plug-in hybrid electric vehicle.

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

2.17 Sec. 3. Minnesota Statutes 2008, section 169.011, is amended by adding a subdivision  
2.18 to read:

2.19 **Subd. 54a. Plug-in hybrid electric vehicle.** "Plug-in hybrid electric vehicle"  
2.20 means an electric vehicle that (1) contains an internal combustion engine, and also allows  
2.21 power to be delivered to the drive wheels by a battery-powered electric motor; (2) when  
2.22 connected to the electrical grid via an electrical outlet, is able to recharge its battery; and  
2.23 (3) has the ability to travel at least 20 miles powered substantially by electricity.

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

2.25 Sec. 4. Minnesota Statutes 2008, section 216B.02, subdivision 4, is amended to read:

2.26 **Subd. 4. Public utility.** "Public utility" means persons, corporations, or other legal  
2.27 entities, their lessees, trustees, and receivers, now or hereafter operating, maintaining,  
2.28 or controlling in this state equipment or facilities for furnishing at retail natural,  
2.29 manufactured, or mixed gas or electric service to or for the public or engaged in the  
2.30 production and retail sale thereof but does not include (1) a municipality or a cooperative  
2.31 electric association, organized under the provisions of chapter 308A, producing or  
2.32 furnishing natural, manufactured, or mixed gas or electric service or; (2) a retail seller of

3.1 compressed natural gas used as a vehicular fuel which purchases the gas from a public  
3.2 utility; or (3) a retail seller of electricity used to recharge a battery that powers an electric  
3.3 vehicle, as defined in section 169.011, subdivision 26a, and that is not otherwise a public  
3.4 utility under this chapter. Except as otherwise provided, the provisions of this chapter  
3.5 shall not be applicable to any sale of natural, manufactured, or mixed gas or electricity  
3.6 by a public utility to another public utility for resale. In addition, the provisions of this  
3.7 chapter shall not apply to a public utility whose total natural gas business consists of  
3.8 supplying natural, manufactured, or mixed gas to not more than 650 customers within a  
3.9 city pursuant to a franchise granted by the city, provided a resolution of the city council  
3.10 requesting exemption from regulation is filed with the commission. The city council  
3.11 may rescind the resolution requesting exemption at any time, and, upon the filing of the  
3.12 rescinding resolution with the commission, the provisions of this chapter shall apply to the  
3.13 public utility. No person shall be deemed to be a public utility if it furnishes its services  
3.14 only to tenants or cooperative or condominium owners in buildings owned, leased, or  
3.15 operated by such person. No person shall be deemed to be a public utility if it furnishes  
3.16 service to occupants of a manufactured home or trailer park owned, leased, or operated by  
3.17 such person. No person shall be deemed to be a public utility if it produces or furnishes  
3.18 service to less than 25 persons.

3.19 Sec. 5. Minnesota Statutes 2008, section 216B.241, subdivision 9, is amended to read:

3.20 Subd. 9. **Building performance standards; Sustainable Building 2030.** (a) The  
3.21 purpose of this subdivision is to establish cost-effective energy-efficiency performance  
3.22 standards for new and substantially reconstructed commercial, industrial, and institutional  
3.23 buildings that can significantly reduce carbon dioxide emissions by lowering energy use in  
3.24 new and substantially reconstructed buildings. For the purposes of this subdivision, the  
3.25 establishment of these standards may be referred to as Sustainable Building 2030.

3.26 (b) The commissioner shall contract with the Center for Sustainable Building  
3.27 Research at the University of Minnesota to coordinate development and implementation  
3.28 of energy-efficiency performance standards, strategic planning, research, data analysis,  
3.29 technology transfer, training, and other activities related to the purpose of Sustainable  
3.30 Building 2030. The commissioner and the Center for Sustainable Building Research  
3.31 shall, in consultation with utilities, builders, developers, building operators, and experts  
3.32 in building design and technology, develop a Sustainable Building 2030 implementation  
3.33 plan that must address, at a minimum, the following issues:

3.34 (1) training architects to incorporate the performance standards in building design;

4.1 (2) incorporating the performance standards in utility conservation improvement  
4.2 programs; and

4.3 (3) developing procedures for ongoing monitoring of energy use in buildings that  
4.4 have adopted the performance standards.

4.5 The plan must be submitted to the chairs and ranking minority members of the senate and  
4.6 house of representatives committees with primary jurisdiction over energy policy by  
4.7 July 1, 2009.

4.8 (c) Sustainable Building 2030 energy-efficiency performance standards must be firm,  
4.9 quantitative measures of total building energy use and associated carbon dioxide emissions  
4.10 per square foot for different building types and uses, that allow for accurate determinations  
4.11 of a building's conformance with a performance standard. Performance standards must  
4.12 address energy use by electric vehicle charging infrastructure in or adjacent to buildings as  
4.13 that infrastructure begins to be made widely available. The energy-efficiency performance  
4.14 standards must be updated every three or five years to incorporate all cost-effective  
4.15 measures. The performance standards must reflect the reductions in carbon dioxide  
4.16 emissions per square foot resulting from actions taken by utilities to comply with the  
4.17 renewable energy standards in section 216B.1691. The performance standards should be  
4.18 designed to achieve reductions equivalent to the following reduction schedule, measured  
4.19 against energy consumption by an average building in each applicable building sector in  
4.20 2003: (1) 60 percent in 2010; (2) 70 percent in 2015; (3) 80 percent in 2020; and (4) 90  
4.21 percent in 2025. A performance standard must not be established or increased absent a  
4.22 conclusive engineering analysis that it is cost-effective based upon established practices  
4.23 used in evaluating utility conservation improvement programs.

4.24 (d) The annual amount of the contract with the Center for Sustainable Building  
4.25 Research is up to \$500,000. The Center for Sustainable Building Research shall expend  
4.26 no more than \$150,000 of this amount each year on administration, coordination, and  
4.27 oversight activities related to Sustainable Building 2030. The balance of contract funds  
4.28 must be spent for subcontracts with not-for-profit energy organizations, architecture and  
4.29 engineering firms, and other qualified entities to undertake technical projects and activities  
4.30 in support of Sustainable Building 2030. The primary work to be accomplished each  
4.31 year by qualified technical experts under subcontracts is the development and thorough  
4.32 justification of recommendations for specific energy-efficiency performance standards.  
4.33 Additional work may include:

4.34 (1) research, development, and demonstration of new energy-efficiency technologies  
4.35 and techniques suitable for commercial, industrial, and institutional buildings;

5.1 (2) analysis and evaluation of practices in building design, construction,  
5.2 commissioning and operations, and analysis and evaluation of energy use in the  
5.3 commercial, industrial, and institutional sectors;

5.4 (3) analysis and evaluation of the effectiveness and cost-effectiveness of Sustainable  
5.5 Building 2030 performance standards, conservation improvement programs, and building  
5.6 energy codes;

5.7 (4) development and delivery of training programs for architects, engineers,  
5.8 commissioning agents, technicians, contractors, equipment suppliers, developers, and  
5.9 others in the building industries; and

5.10 (5) analyze and evaluate the effect of building operations on energy use.

5.11 (e) The commissioner shall require utilities to develop and implement conservation  
5.12 improvement programs that are expressly designed to achieve energy efficiency goals  
5.13 consistent with the Sustainable Building 2030 performance standards. These programs  
5.14 must include offerings of design assistance and modeling, financial incentives, and the  
5.15 verification of the proper installation of energy-efficient design components in new  
5.16 and substantially reconstructed buildings. A utility making an expenditure under its  
5.17 conservation improvement program that results in a building meeting the Sustainable  
5.18 Building 2030 performance standards may claim the energy savings toward its  
5.19 energy-savings goal established in subdivision 1c.

5.20 (f) The commissioner shall report to the legislature every three years, beginning  
5.21 January 15, 2010, on the cost-effectiveness and progress of implementing the Sustainable  
5.22 Building 2030 performance standards and shall make recommendations on the need to  
5.23 continue the program as described in this section.

5.24 **Sec. 6. [325F.185] ELECTRIC VEHICLE INFRASTRUCTURE.**

5.25 Any electric vehicle infrastructure installed in this state must without significant  
5.26 upgrading of the electric vehicle infrastructure:

5.27 (1) allow for utilization of the electric vehicle infrastructure by any make, model, or  
5.28 type of electric vehicle capable of being charged via a 40-amp, 240-volt electrical charging  
5.29 circuit and a 110-volt charging circuit designed for a magnetic drive electric vehicle; and

5.30 (2) be capable of providing bidirectional charging, once electrical utilities achieve  
5.31 a cost-effective capability to draw electricity from electric vehicles connected to the  
5.32 utility grid.

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

5.34 Sec. 7. Laws 2006, chapter 245, section 1, is amended to read:

6.1 Section 1. **STATE PURCHASING OF ELECTRIC AND PLUG-IN HYBRID**  
6.2 **ELECTRIC VEHICLES.**

6.3 Subdivision 1. **Definition.** (a) As used in ~~sections 2 and 3~~ this section, "plug-in  
6.4 hybrid electric vehicle (PHEV)" means a vehicle containing an internal combustion  
6.5 engine that also allows power to be delivered to the drive wheels by a battery-powered  
6.6 electric motor and that meets applicable federal motor vehicle safety standards. When  
6.7 connected to the electrical grid via an electrical outlet, the vehicle must be able to  
6.8 recharge its battery. The vehicle must have the ability to travel at least 20 miles, powered  
6.9 substantially by electricity.

6.10 (b) As used in this section, "neighborhood electric vehicle" means an electrically  
6.11 powered motor vehicle that has four wheels and has a speed attainable in one mile of at  
6.12 least 20 miles per hour but not more than 25 miles per hour on a paved level surface.

6.13 (c) As used in this section, "electric vehicle" has the meaning given in section  
6.14 169.011, subdivision 26a.

6.15 Subd. 2. **Notice of state procurement policy in bid documents.** All solicitation  
6.16 documents for the purchase of a passenger automobile, as defined in Minnesota Statutes,  
6.17 section 168.011, subdivision 7; pickup truck, as defined in Minnesota Statutes, section  
6.18 168.011, subdivision 29; or van, as defined in Minnesota Statutes, section 168.011,  
6.19 subdivision 28, issued under the jurisdiction of the Department of Administration after  
6.20 June 30, 2006, must contain the following language: "It is the intention of the state of  
6.21 Minnesota to begin purchasing electric vehicles, plug-in hybrid electric vehicles and  
6.22 neighborhood electric vehicles as soon as they become commercially available, meet the  
6.23 state's performance specifications, and are priced no more than ten percent above the price  
6.24 for comparable gasoline-powered vehicles. It is the intention of the state to purchase  
6.25 electric vehicles, plug-in hybrid electric vehicles and neighborhood electric vehicles  
6.26 whenever practicable after these conditions have been met and as fleet needs dictate for  
6.27 at least five years after these conditions have been met."

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

6.29 Sec. 8. Laws 2008, chapter 287, article 1, section 118, is amended to read:

6.30 Sec. 118. **STUDY OF TRANSPORTATION LONG-RANGE SOLUTIONS.**

6.31 (a) The commissioner of transportation shall conduct a study in consultation with  
6.32 other state agencies and key stakeholders to evaluate the current and long-range needs of  
6.33 the state's transportation system, and investigate possible strategies to meet these needs.

6.34 (b) The study must include, but is not limited to:

7.1 (1) evaluation of the current needs of the state's highway systems, bridges, and  
7.2 transit;

7.3 (2) analysis and quantification of the needs for the next 20 years of the state's  
7.4 highway systems, bridges, and transit;

7.5 (3) comparison of estimates of revenues raised by current transportation funding  
7.6 sources, with long-term needs of the state's transportation system;

7.7 (4) identification of options for maintenance and improvement of the state's  
7.8 transportation system with specific reference to the effects of potential increases in vehicle  
7.9 fuel economy, availability of alternative modes of transportation, and extreme fuel price  
7.10 volatility on future transportation revenues;

7.11 (5) analysis of alternative pricing options utilized in other states and countries,  
7.12 and their potential for use, public acceptance, alleviation of congestion, and revenue  
7.13 generation in this state; ~~and~~

7.14 (6) identification of options for road-use pricing, other alternative financing  
7.15 mechanisms with particular consideration of key environmental impacts such as air  
7.16 quality, water quality, and greenhouse gas emissions, and estimates of implementation  
7.17 costs, user costs, and revenue; and

7.18 (7) evaluation of the impact of the use of electric vehicles, as defined in Minnesota  
7.19 Statutes, section 169.011, subdivision 26a, and plug-in hybrid vehicles, as defined in  
7.20 Minnesota Statutes, section 169.011, subdivision 54a, on the current funding mechanisms  
7.21 for the state's roadways and an analysis of methods to mitigate the impact.

7.22 (c) The commissioner shall report the results of the study to the legislature no later  
7.23 than November 1, 2009.

7.24 Sec. 9. **REVISOR'S INSTRUCTION.**

7.25 The revisor shall codify Laws 2006, chapter 245, section 1, in Minnesota Statutes,  
7.26 chapter 16C.