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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH  
SESSION

HOUSE FILE No. 3562

March 9, 2010

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

1.1 A bill for an act  
1.2 relating to energy; modifying definition of energy efficiency to include ways to  
1.3 decrease consumption of delivered fuels; amending Minnesota Statutes 2008,  
1.4 section 216B.241, subdivision 1.

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

1.6 Section 1. Minnesota Statutes 2008, section 216B.241, subdivision 1, is amended to  
1.7 read:

1.8 Subdivision 1. **Definitions.** For purposes of this section and section 216B.16,  
1.9 subdivision 6b, the terms defined in this subdivision have the meanings given them.

1.10 (a) "Commission" means the Public Utilities Commission.

1.11 (b) "Commissioner" means the commissioner of commerce.

1.12 (c) "Customer facility" means all buildings, structures, equipment, and installations  
1.13 at a single site.

1.14 (d) "Delivered fuels" means propane or fuel oil delivered to residential customers  
1.15 for primary heating needs.

1.16 (e) "Delivered fuels savings" means measures that result in a direct reduction in  
1.17 residential delivered fuels consumption.

1.18 ~~(d)~~ (f) "Department" means the Department of Commerce.

1.19 ~~(e)~~ (g) "Energy conservation" means demand-side management of energy supplies  
1.20 resulting in a net reduction in energy use. Load management that reduces overall energy  
1.21 use is energy conservation.

1.22 ~~(f)~~ (h) "Energy conservation improvement" means a project that results in energy  
1.23 efficiency ~~or~~, energy conservation, or delivered fuels savings. Energy conservation  
1.24 improvement may include waste heat recovery converted into electricity but does not

2.1 include electric utility infrastructure projects approved by the commission under section  
2.2 216B.1636.

2.3 ~~(g)~~ (i) "Energy efficiency" means measures or programs, including energy  
2.4 conservation measures or programs, that target consumer behavior, equipment, processes,  
2.5 or devices designed to produce either an absolute decrease in consumption of electric  
2.6 energy ~~or~~, natural gas, or delivered fuels or a decrease in consumption of electric energy  
2.7 or natural gas on a per unit of production basis without a reduction in the quality or level  
2.8 of service provided to the energy consumer.

2.9 ~~(h)~~ (j) "Gross annual retail energy sales" means annual electric sales to all retail  
2.10 customers in a utility's or association's Minnesota service territory or natural gas  
2.11 throughput to all retail customers, including natural gas transportation customers, on a  
2.12 utility's distribution system in Minnesota. For purposes of this section, gross annual  
2.13 retail energy sales exclude gas sales to a large energy facility and gas and electric sales  
2.14 to a large electric customer facility exempted by the commissioner under subdivision  
2.15 1a, paragraph (b).

2.16 ~~(i)~~ (k) "Investments and expenses of a public utility" includes the investments  
2.17 and expenses incurred by a public utility in connection with an energy conservation  
2.18 improvement, including but not limited to:

2.19 (1) the differential in interest cost between the market rate and the rate charged on a  
2.20 no-interest or below-market interest loan made by a public utility to a customer for the  
2.21 purchase or installation of an energy conservation improvement;

2.22 (2) the difference between the utility's cost of purchase or installation of energy  
2.23 conservation improvements and any price charged by a public utility to a customer for  
2.24 such improvements.

2.25 ~~(j)~~ (l) "Large electric customer facility" means a customer facility that imposes a  
2.26 peak electrical demand on an electric utility's system of not less than 20,000 kilowatts,  
2.27 measured in the same way as the utility that serves the customer facility measures  
2.28 electrical demand for billing purposes, and for which electric services are provided at  
2.29 retail on a single bill by a utility operating in the state.

2.30 ~~(k)~~ (m) "Large energy facility" has the meaning given it in section 216B.2421,  
2.31 subdivision 2, clause (1).

2.32 ~~(l)~~ (n) "Load management" means an activity, service, or technology to change the  
2.33 timing or the efficiency of a customer's use of energy that allows a utility or a customer to  
2.34 respond to wholesale market fluctuations or to reduce peak demand for energy or capacity.

2.35 ~~(m)~~ (o) "Low-income programs" means energy conservation improvement programs  
2.36 that directly serve the needs of low-income persons, including low-income renters.

- 3.1            ~~(n)~~ (p) "Waste heat recovery converted into electricity" means an energy recovery  
3.2 process that converts otherwise lost energy from the heat of exhaust stacks or pipes used  
3.3 for engines or manufacturing or industrial processes, or the reduction of high pressure  
3.4 in water or gas pipelines.