

A bill for an act relating to energy; providing for competition in electricity for customers entering into 100 percent renewable energy contracts; proposing coding for new law in Minnesota Statutes, chapter 216B.

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

Section 1.

[CITATION] This act may be cited as the 'Minnesota Options for Renewable Electricity Act.'

Section 2.

**[216B.1697] 100 PERCENT RENEWABLE OPTIONS**

**Subd. 1 Definitions.**

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For the purposes of this section, the following terms have the meanings given them.

"Contract customer", a person, corporation, or legal entity, including affiliates and subsidiaries, who executes or will execute a renewable energy contract with an owner or developer of a renewable energy facility or with an electrical corporation;

"Participating customer", a person, corporation, or legal entity that is a customer of an electrical corporation and that elects to have some or all of its electricity needs supplied by renewable energy under a voluntary renewable pricing program;

"Renewable energy" has the meaning given in section 216B.2422, subdivision 1, paragraph (c).

"Renewable energy contract," means a contract established under section subdivision 2 between an individual customer and an owner or developer of a renewable energy facility or facilities that provides for the delivery of electricity to the customer by one of the following means:

- (a) From one renewable energy facility to a contract customer's single metered delivery location;
- (b) From multiple renewable energy facilities to a contract customer's single metered delivery location;
- (c) From one or more renewable energy facilities to a single contract customer's multiple metered delivery locations; or
- (d) From one or more renewable energy facilities to a single contract customer for distribution to multiple contract customers' metered delivery locations;

"Renewable energy facility," means a facility for the production of renewable energy, and does not include an electric generating facility whose costs have been included in an electric utility's rates as a facility providing electric service to the utility's system;

"Utility" means a public utility, municipal utility, or cooperative electric association providing electric service at retail to Minnesota consumers.

Subd. 2.

Following the publication of rules and regulations necessary to implement this section, a contract customer, regardless of class, may enter into a renewable energy contract with an owner or developer of a renewable energy facility or facilities, for the sale of electricity to meet some or all of the contract customer's energy needs.

Subd. 3

A renewable energy contract shall provide for the pricing and duration of the contract, as determined through negotiation between the contract customer and the owner or developer of the renewable energy facility.

Subd. 4

An owner or developer of a renewable energy facility that enters into a renewable energy contract described in this section shall not thereby be deemed to be an utility as defined in this section.

Subd. 5

To be eligible for entering a renewable energy contract under this section, a contract customer shall meet a minimum annual peak demand of one megawatt, provided that a single contract customer may aggregate multiple metered delivery locations to satisfy the annual peak demand megawatt limit.

Subd. 6

Nothing shall prevent an electrical corporation from entering into a renewable energy contract directly with a contract customer, in which case the commission shall allow an electrical corporation to recover its prudently incurred cost of renewable generation procured under the renewable energy contract that is not otherwise recovered from the renewable energy contract.

Subd. 7

Within thirty days after receiving notice of a renewable energy contract and request from a contract customer under this section, and subject to reasonable credit requirements, an utility shall:

- (1) Contract with the renewable energy facility's owner to purchase electricity for resale to the contract customer; and

- (2) (2) Sell such electricity to the contract customer according to the duration and pricing terms in the renewable energy contract, plus any additional costs the electrical corporation is authorized to recover.

Subd. 8

Within sixty days of publication of rules and regulations necessary to effectuate the provisions of this section, an utility shall file for commission approval a tariff to facilitate the delivery of power under renewable energy contracts under this section.

Subd. 9

The utility shall charge a contract customer for all metered electric service delivered to the contract customer under the terms of the renewable energy contract as well as any required supplemental energy service, and the tariff shall include rates as determined by the commission for an electrical corporation for the recovery of:

- (1) Cost-based administrative;
- (2) Cost-based distribution service;
- (3) Cost-based transmission service;
- (4) Cost-based monthly generation capacity service; and
- (5) Cost-based energy service for any kilowatt-hours of electricity contracted for delivery but not delivered from the renewable energy facility.

Subd. 10

Notwithstanding any of the provisions of section 216B to the contrary, an owner or developer of a renewable energy facility may enter into a contract for the sale of power directly to a customer of an electrical corporation if the power is supplied by a renewable energy facility located entirely on the customer's premises and the output of which is intended entirely for use at the customer's premises. An owner or developer of a renewable energy facility that enters into a renewable energy contract described in this section shall not be deemed to be an utility as defined in this section. An utility shall not be entitled to recover any costs relating to energy delivered under contracts described in this section. An electrical corporation shall not be required to compensate a customer for any excess energy provided to the grid resulting from contracts described in this subdivision.

Subd. 11

The Commission shall promulgate such rules and regulations as shall be necessary to carry out this section.