



MREA LEGISLATIVE REPORT
2011 SESSION
Lee Sundberg - Joel Johnson

2011 MREA Legislative Report

Table of Contents

INTRODUCTION	5
NEW LAWS	
Omnibus Energy Policy Bill	9
Environmental Permitting Reform	12
Omnibus Natural Resources Policy Bill	12
Omnibus Agriculture Finance Bill	12
OTHER NEW LAWS	12
BILLS PASSED, BUT VETOED	13
BILLS NOT PASSED	15

2011 Legislative Report

Session Overview

Minnesota's political landscape was literally turned upside down in 2011 when DFLer Mark Dayton was sworn in as governor and Republicans took over the majorities in both the Minnesota House and Senate.

Dayton is the first DFL governor in Minnesota since 1990. Republicans have held the majority in the Minnesota House as recently as 2006, but this is the first time that Republicans have held the majority in the Senate in almost 40 years.

As it has for most of the past decade, the state's on-going budget woes dominated the 2011 session. The Governor and Legislature were unable to reach an agreement on a budget by the session's deadline on May 23. Although talks have continued, the chances of a government shutdown on July 1 look more and more likely.

Session a good one for electric cooperatives

Despite the unfinished budget business, the 2011 session was a good one for electric cooperatives and utilities in general.

Not only did we avoid any significant tax increases and additional mandates for renewable energy or conservation, which have been ongoing concerns recently, we also were able to pass a number of important provisions for cooperatives and made significant progress on our key initiatives.

Included in those measures were an exemption from the restrictions in the 2007 Next Generation Energy Act for Great River Energy's Spiritwood plant, a modest change to the state's Conservation Improvement Program, clarification of the way federal hydropower allocations are counted when calculating the Renewable Energy Standard and a measure that will raise the petition level needed among Lake Country Power's membership to initiate a vote on whether the cooperative would be rate regulated by the Public Utilities Commission.

Other key energy legislation that was signed into law included a study of the impact that renewable energy mandates are having on rates and a number of technical and staffing changes pushed by the Division of Energy Resources (formerly the Office of Energy Security).

Efforts to repeal coal moratorium vetoed by the Governor

As mentioned, a measure to exempt GRE's Spiritwood plant from the restrictions on the importation of new coal-based energy was included in the Omnibus Energy Policy Bill during the last weekend of the session and ultimately signed into law.

However, key Republican legislators, including Senate Energy, Utilities and Telecommunications Chair Julie Rosen, decided to push another compromise approach to lifting the restrictions on coal. After convening a conference committee for SF 86, which was the

original vehicle for lifting the coal moratorium, the conference committee unanimously approved a measure that would provide exemptions for up to 1500 MW of new coal-based power.

Although the measure passed with significant bipartisan support, Governor Dayton ultimately vetoed the measure, arguing in his veto message that Minnesota utilities have indicated through their Integrated Resource Plans (IRPs) that they won't need to build baseload generation "for at least 15 years." He also cited the cost of building coal-based electric generation.

CIP sees minor changes

Although the changes to CIP that ultimately passed during the session were modest, legislators indicated the issue is far from settled. Leaders in the House and Senate have indicated they want to take a closer look at the program over the summer and put together a comprehensive set of reforms.

What did pass this year was a measure, authored by Sen. Michelle Benson (R-Ham Lake), which allows the Director of the Division of Energy Resources to approve a CIP plan from an electric cooperative or municipal utility of less than 1 percent. While we still believe the goal needs to be reduced in statute, DER Director Bill Grant promised MREA that his division would continue to be flexible with overall goals for cooperatives. He also indicated he would be open to more discussion a statutory goal that better reflected the challenges facing electric cooperatives when it comes to CIP.

There was a great deal of interest in reforming CIP this year and a number of measures pushed by large users were also put off until this summer.

WAPA, Lake Country provisions attract little to no controversy

The measures to clarify the way federal hydropower or Western Area Power Administration (WAPA) allocations are counted in the RES and Lake Country Power's effort to increase its uniquely low petition level both passed without challenge in either body.

Sen. John Carlson (R-Bemidji), the author of the WAPA Bill in the Senate, and Rep. Dave Hancock (R-Bemidji), the House author, both did a good job of framing the WAPA issue as a technical clarification. The bill will again allow cooperatives that aggregate or pool their WAPA allocations at the G&T level to subtract them from retail sales, something that most cooperatives and municipal utilities are already allowed to do.

The Lake Country Power provision was originally included in the Omnibus Environment, Energy and Natural Resources Finance Bill, a bill that was ultimately vetoed by the Governor. Instead, the measure was tacked onto the Omnibus Energy Policy Bill at the urging of Minority Leader Tom Bakk (DFL-Cook) in the Senate and Rep. Larry Howes (R-Walker) in the House. The provision repeals the law that lowered the petition threshold for Lake Country Power and returns it to 5 percent, which is the level for every other cooperative in the state.

Some good news from no news

One of the most significant changes at the Capitol this session was the scarcity of objectionable energy bills. Except for a Stray Voltage bill, there were few bills that raised serious concerns. While we hope this trend continues, there are some issues on the horizon that we need to keep a close eye on.

The largest is an effort to expand the state's net metering law to include projects larger than 40 KW. DER Director Bill Grant indicated several times during the session that expanding the state's net metering program is one of his primary goals. During the 2011 session, Rep. Paul Torkelson (R-Nelson Township), introduced a bill (HF 1513) which would change the way net-metering rates are determined, basing them on the average wholesale rate rather than the average retail rate. Although the bill did not make it into the final Omnibus Energy Bill, it did help frame the debate over net metering in a way that will help us down the road.

Taxes -- or more specifically tax exemptions and credits -- also continue to be an area that we need to watch closely, particularly with revenue continuing to be the main area of disagreement between the Legislature and the Dayton Administration. While it never gained any traction, we did see another effort to eliminate the personal property tax exemption for pollution control equipment this session.

Grassroots participation

The 2011 Session was also a good one in terms of grassroots participation. In addition to our Legislative Day at the Capitol and Grassroots Day, we saw consistently good participation in our weekly Legislative Teleconference Updates, as well as increased contact with legislators. That involvement in the legislative process has made a difference at the Capitol. It will also be vital going forward as we continue to push for further reforms of CIP and address issues like net metering and stray voltage.

Thank you again for your involvement this session.

NEW LAWS

Omnibus Energy Policy Bill

(SF 1197)

Chapter 97 of 2011 Session Laws

The Omnibus Energy Bill was put together relatively late in the session, with the House and Senate each assembling their own versions of the bill.

From the start, the House took a much more aggressive approach, particularly when it comes to CIP. The House bill (HF 1025) offered a number of significant changes to energy policy in Minnesota, including a number of modifications to the state's Conservation Improvement Program (CIP) proposed by electric cooperatives, a clarification in the way federal hydropower is counted when calculating the Renewable Energy Standard (based on HF 220), and a measure that repeals the state law that requires allows just 1% of Lake Country Power's members to petition for a vote on rate regulation by the PUC, rather than normal 5 percent.

The changes to CIP were based on HF 1193, which was authored by Rep. Mike Beard (R-Shakopee), and included a cap on spending, exemptions for large loads, savings credits for education, a lifting of the cap on supply-side savings, a streamlined reporting process and an ability to count more load management savings.

One surprise inclusion was HF 1513, authored by Rep. Paul Torkelson (R-Nelson Township). The bill was introduced relatively late in session and got its first hearing the night before the House Omnibus Energy Bill was assembled. The bill would have changed the way net-metering rates are determined, basing them on the average wholesale rate rather than the average retail rate. Jim Haler, the Member Services Manager for South Central, testified on behalf of the bill.

Other measures of note in the House bill included:

- A measure to allow more larger commercial and industrial loads to be exempt from CIP;
- Another that would require utilities to provide an analysis of the impact that efforts to meet the 25 percent by 2025 Renewable Energy Standard (RES) are having on rates;
- An exemption for large wind generators and other single generating facilities from filing a transmission project report if the transmission line serves only one customer;
- A merger of the Intervention Office and the Energy Reliability Administrator Office, within the Department of Commerce.

In contrast to the House bill, the Senate Omnibus Energy Bill (SF 1197) took a much more modest approach. Authored by Sen. Julie Rosen (R-Fairmont), it included the merger of the two offices within the Department of Commerce, the requirements to analyze the impact the RES is

having on rates, the transmission plan waiver and a couple of more technical bills offered by the PUC or DER.

Its only CIP provision was a measure that will allow the Department of Energy Resources to approve a CIP plan from an electric cooperative or municipal utility that includes consumer-side savings of less than 1 percent. The decision will be based on a number of factors, including customer class makeup, load growth and the potential for savings in the system.

Normally, the differences would have been worked out in conference committee, but when the budget process bogged down, it created a bottleneck at the end of the session and made the conference committee process much more complicated.

The final bill ended up being a decent one for electric cooperatives and included a provision that will allow Great River Energy to import electricity from its new Spiritwood power plant without having to provide offsets for its carbon emissions. This was GRE's most important legislative initiative for the 2011 session – the plant is expected to come on-line early in 2012 – and its passage is expected to save GRE members up to \$20 million a year.

Here's a rundown of the measures included in the bill:

- **Spiritwood Exemption** - GRE's Spiritwood power plant was exempted from the restrictions on the importation of new coal-generated electricity contained in the 2007 NextGeneration Energy Act. The provision was added during the last weekend of the regular session. Throughout the session, GRE pushed for an outright repeal of the coal moratorium. (SF 1197, section 30)
- **CIP Reform** - The only cooperative-driven CIP provision that made it into the final bill was language that allows the Division of Energy Resources (DER) to approve a CIP plan for co-ops with less than 1.0% of energy savings. This was the language that was included in the Senate version of the bill and first appeared in SF 1313. (SF 1197, section 20)
- **WAPA Clarification** - This legislation was originally introduced by Sen. John Carlson (R-Bemidji) in the Senate (SF 113) and Rep. David Hancock (R-Bemidji) in the House (HF 220). The language clarifies that all federal hydropower from the Western Area Power Administration (WAPA) can be subtracted from retail sales when calculating the Renewable Energy Standard. The issue arose after staff at the Minnesota Division of Energy Resources (formerly the Office of Energy Security or OES) claimed a strict reading of the RES law prohibited East River Power Co-op from subtracting the WAPA allocations from its members' retail sales because the G&T aggregated or pooled the allocations. Minnkota Power Co-op and L & O Power Cooperative also aggregate the WAPA allocations of their members. The case went before the Minnesota Public Utilities Commission (PUC), and last March, the PUC sided with the OES despite comments from several commissioners that the distinction made no sense. With this new language, those cooperatives will be treated the same as non-aggregating cooperatives and municipal utilities. (SF 1197, section 14)

- **Lake Country Power Petition Level** - It will now take the signatures of 5% of Lake Country Power's members to force a vote on rate regulation by the PUC rather than 1%. This provision was originally attached to the Omnibus Environment, Energy & Natural Resources Finance Bill (HF 1010), but was removed when it became apparent that the bill would be vetoed by Governor Dayton. Sen. Tom Bakk (DFL-Cook) and Rep. Larry Howes (R-Walker) made sure the language was included in both the House and Senate versions of the Omnibus Energy Policy Bill. (SF 1197, section 6)
- **Rate Impact of RES** - G&Ts and other power suppliers will now be required to submit a report to the PUC and legislative energy committees on the rate impact of complying with Renewable Energy Standard. The language was based on SF 1093 and HF 1375 and pushed primarily by the Minnesota Chamber of Commerce. A stakeholders group is working to hammer out the details of what will eventually be included in the report. (SF 1197, section 15)
- **Multi-year Rate Plans** - The PUC will now be allowed to approve, modify or reject a multi-year plan to increase rates, up to three years. This provision was pushed mainly by Xcel Energy. Dakota Electric Association, which is the only rate-regulated electric cooperative in Minnesota, will have the option of using this provision. (SF 1197, section 12)
- **Excelsior Energy** - Excelsior Energy will be permitted to keep its Innovative Energy Project designation while using natural gas as its main source of generation. That will allow it to keep regulatory incentives such as no certificate of need and the use of eminent domain. (SF 1197, section 16)
- **Regional Duties at DER** - The Reliability Administrator position in the Department of Commerce will be eliminated, but the department will be able to shift the assessment for the position to the DER for regional and national duties and intervention. The assessment is for a maximum of \$1.0 million and is assessed during each fiscal year on all utilities. This provision was driven by the DER. (SF 1197, sections 4, 26, and 34)
- **Transmission Report Exemption** - The owners of transmission lines that serve a single generating facility will be exempt from filing a transmission project report. This was based on HF 1431 and SF 1196. (SF 1197, section 22)
- **Other Provisions** - Other provisions that affect the DER and rate regulated utilities but don't apply to co-ops include:
 - Stronger oversight in how money from the Renewable Development Fund is spent
 - Allowing IOUs to send out summaries of the rights and responsibilities under the Cold Weather Rule electronically
 - Some large customer exemptions under CIP

- Rate recovery for pollution control equipment
- A repeal of inverted block rate programs for low income consumers
- Reports on the cost of nuclear plant decommissioning
- Relieving the DER from gathering and maintain data on disconnections and fuel denials under the cold weather rule

Environmental Permitting Reform

(HF 1) Chapter 4 of 2011 Session Laws

This measure was one of the top priorities of the majorities in the House and Senate. It is designed to streamline the permitting process at the Pollution Control Agency and the Department of Natural Resources. In addition to setting a goal of 150 days for approval of a project once the permits are submitted, it also includes accountability measures for the two agencies. (SF 42, HF 1, Chapter 4)

Omnibus Natural Resources Policy Bill

(SF 1115) Chapter 107 of 2011 Session Laws

A measure which stipulates that only the Minnesota Department of Agriculture – and not the Minnesota Pollution Control Agency (MPCA) – will regulate the use of pesticides and herbicides when used on land was included in the final Omnibus Natural Resources Policy Bill. This will impact cooperatives and avoid creating other possibly more restrictive layers of regulation when using herbicides for tree trimming and brush clearing operations. The Cooperative Network was instrumental in monitoring and advocating for this measure. (SF 1115, sections 2 and 79.)

Omnibus Agriculture Finance Bill

(SF 10165) Chapter 107 of 2011 Session Laws

This was the only budget bill signed into law by the Governor and it included \$2.5 million in funding for the NextGen Energy Board, which funds research and provides grants for bio-energy projects. (SF1016, Section 3, subdivision 4)

Other New Laws

Assault on Utility Employees

(SF 301) Chapter 85 of 2011 Session Laws

This bill had been kicking around for a couple of years, but made it through the process this session. Authored by Rep. Ron Shimanski (R-Silver Lake) in the House and Sen. Scott Newman (R-Hutchinson), the legislation makes it a gross misdemeanor to assault a utility employee while they are engaged in performance of their work duties. This includes co-worker assaults, so be good to each other. (SF 301, section 2.)

Technical Changes for Utility Assessments

(HF 1219) Chapter 112 of 2011 Session Laws

The legislation made minor technical changes to the personal property taxes of utilities are assessed and corrected. (Article 3, Section 5-7)

Technical Changes for Disaster Relief

(SF 1044) Chapter 67 of 2011 Session Laws

Another bill dealing with technical changes, this time with the way the state handles disaster relief. It did not change the way cooperatives are treated in regard to disaster relief. (Chapter 67)

Technical Changes for Cooperatives

(SF 301) Chapter 85 of 2011 Session Laws

The legislation made minor technical changes to the laws governing all cooperatives under Chapter 308A of the Minnesota Statutes. The changes focused on maintaining or reestablishing corporate existence after a change in business structure and dealings with housing cooperatives, including infrastructure investments. (Chapters 106 and 116)

Bills Passed, But Vetoed

Repeal of the Coal Moratorium

(SF 86, HF 72)

The two companion bills, authored by Sen. Julie Rosen (R-Fairmont) and Rep. Mike Beard (R-Shakopee) originally repealed the language in the 2007 Next Generation Energy Act that put restrictions on the construction of a new coal plant in Minnesota or the importation of new coal-based electricity from plants located out of state. In fact, SF 86 passed out of the Senate on a 42-18 vote with the original language.

However, as talks between Governor Mark Dayton and North Dakota Governor Jack Dalrymple progressed, it became increasingly clear that Governor Dayton would veto any outright repeal of the restrictions in the Next Generation Act. As a result, a compromise offer was made that would exempt 2500 MW of new coal-based power from the restrictions. The thinking was that the original bill included exemptions for a similar amount of power from proposed plants that have since been cancelled.

The 2500 MW version of the bill passed 76-54 in the House, again with decent bipartisan support. The 2500 MW level was further reduced in conference committee to 1500 MW and then sent to the Governor after passing both bodies. (The vote was 44-22 in the Senate and 75-54 in the House.)

Even with the compromise language, Governor Dayton vetoed the bill on May 27, saying that granting the exemptions for 1500MW of coal-based electricity would be “unwise and unnecessary.”

Omnibus Environment, Energy & Natural Resources Finance Bill (HF1010)

The Omnibus Environment, Energy & Natural Resources Finance Bill was one of the eight budget bills vetoed by Governor Dayton over the lack of an overall budget agreement. In addition to funding for the Public Utilities Commission (PUC) and the Division of Energy Resources (formerly the Office of Energy Security), the bill would have also provided one year of funding (\$500,000) for the Clean Energy Resource Teams (CERTs). (The CERTs program has previously been funded through the Renewable Energy Development Fund.)

This was also the original vehicle for Lake Country’s effort to repeal its lower petition level for a vote on rate regulation. After it became clear that the bill would be vetoed, the measure was pulled and subsequently attached to the Omnibus Energy Policy Bill (HF 1197).

For the most part, the bill maintained the status quo on energy issues and contained no new major policy shifts or large increases in fees or assessments.

Because the PUC and DER are largely funded through utility assessments and federal funding, the final budget agreement should have little impact on the energy-related portions of the bill. However, we will continue to monitor the bills during the upcoming special session in case some unexpected fees or assessments are used to increase revenue.

Omnibus Tax Bill (HF42)

With the state facing a \$5 billion budget deficit, the prospect of any Omnibus Tax Bill can be a bit scary. However, having Rep. Greg Davids (R-Preston), a long-time friend of electric cooperatives, as chair of the House Tax Committee eased a great many of those concerns.

And, for the most part, there weren’t very many tax proposals that targeted utilities and the few that did never gained any traction.

The vetoed bill did include a phase-out of the state general levy – which is a property tax collected by the state on commercial, industrial, utility and seasonal property. It also included a provision that would have provided a property tax exemption for a proposed small generating plant in southwest Minnesota. (SF 450, HF 616)

Because taxes and revenue are the key sticking points in the budget stalemate, it’s likely the final Omnibus Tax Bill will look a lot different than the vetoed version.

Bills Not Passed

Repeal of the Nuclear Moratorium

(SF 4, HF 9)

Repealing the ban on new nuclear plants in the state was a key priority for both House and Senate Republicans this session and for much of the session it appeared as though the repeal would breeze through both bodies.

The Senate version passed less than a month into the session with overwhelming bipartisan support. (The vote was 50-14.) Two weeks later, the House passed an amended version on a 81-50 vote that included a prohibition against using any of the spent fuel to create nuclear weapons, one of three objections Governor Dayton voiced about the bill. (The other two were the need for ratepayer protection from cost overruns and the lack of a plan for storing additional spent fuel.)

Because of the amendment the bill was sent to conference committee. That's where the bill was when an earthquake and subsequent tsunami struck the Japanese coast and damaged a number of nuclear reactors. The ongoing crisis at the Fukushima plant eventually killed whatever chances the bill had of passing this session.

Technically, the bill can be taken up again next year, but it's unclear how much of an appetite there is for continuing the effort.

Net Metering Reform

(HF 1513, SF 1231)

The House version of this bill, HF 1513, actually made it into the House Omnibus Energy Policy Bill (HF 1025, Section 9), but got stripped in conference committee.

Authored by Rep. Paul Torkelson (R-Nelson Township), the bill would have changed the way net-metering rates are determined, basing them on the average wholesale rate rather than the average retail rate. Rep. Torkelson got the idea for the bill from Jim Haler, the Member Services Manager for South Central, who talked about the net-metering issues during a visit at the Capitol.

The bill's introduction turned out to be quite timely. During the session, Bill Grant, the Director of the Division of Energy Resources, mentioned in a number of settings that he was interested in expanding the state's net-metering laws to include larger projects. HF 1513 focused the debate this year on the cost of net-metering and the fairness of asking other cooperative members to subsidize the wind profits of a handful of neighbors.

It's clear this will be an issue next session.

Stray Voltage (HF 1157)

Introduced only in the House, HF 1157 would have established a stray voltage task force to make recommendations to the PUC for proposed legislation to govern how utilities investigate and ultimately remediate stray voltage complaints from dairy farmers. The bill was given a hearing in the House Agriculture & Rural Development Committee late in the session, but no action was taken.

It's unclear where the issue stands today. There does not appear to be much appetite in either the House or Senate to push for a legislative remedy for stray voltage issues. That's because most legislators familiar with the issue recognize that utilities do have procedures in place to address and remediate stray voltage complaints and that a great deal of research has already been done on the causes, effects and best ways to approach stray voltage issues.

However, it's also clear that stray voltage complaints will continue and that some farmers will not be satisfied with accepted remedies.

C-BED Expansion and Reform (HF 805)

Another year, another attempt to expand and reform the state's Community-Based Energy Development laws. This year's effort, HF 805, took a three-pronged approach to encouraging more community-based energy projects.

First, it would have required all utilities to file a report with the PUC outlining the terms and conditions of its power purchase agreements, including the price. This data would then be made available to the public and allow C-BED developers to adjust their proposals to better compete with larger (mainly wind) projects.

The second provision would have required utilities to offer their consumers at least 25MW of C-BED power generated in Minnesota. As part of that, they would have to file an implementation plan, advertise the program in each billing and charge a cost-only rate.

Finally, the bill would have required the CAPX utilities to collectively purchase at least 350 MW of the green-pricing CBED wind energy within 75 miles of the new St. Cloud to Moorhead HVTL.

Solar Energy Standard (SF 1281/HF 1619)

Neither bill received a hearing, but they are an indication of where state energy policy could be headed. The bill would have established a solar energy standard of 10% by 2030 separate from the existing 25-by-25 Renewable Energy Standard. On top of that, it would require utilities to purchase that power at legislated rates and terms – much like a feed-in tariff.

Repeal of the RES and CIP Savings Goal (HF 75)

The bill authored by Rep. Tom Hackbarth (R-Cedar) would have repealed outright laws on the renewable energy standard and the CIPs 1.5% kwh savings goal and reestablished the renewable energy objective and the CIPs spending goal.

The bill didn't get a hearing and certainly would have been vetoed by the Governor, but it does represent an approach favored by a number of legislators.

Sales Tax Exemption for Capital Equipment (HF 10, SF 480)

This bill has been offered in past years and would exempt capital equipment purchases from the sales tax. Currently, businesses have to apply for a rebate from the state on these purchases.

Property Tax Class Rate Increases, Phase-out of Pollution Control Exemption (SF 962)

The class rate increase has also been proposed a number of times in recent years. This year's version would have increase the Class 3 utility rate on real and personal property to 3 percent. The bill also included a phase-out of the pollution control exemption under the personal property tax paid by utilities.

Modification of Wind Setbacks (SF 1069, HF 811)

Introduced in response to landowner complaints about a proposed wind farm in Goodhue County, the legislation would have established stricter setback limits in more densely populated areas of the state. The legislation was ultimately defeated in the House Agriculture and Rural Development Committee, but the bills attracted a great deal of passion on both sides of the issue. We're also likely to see more bills like this in the future.

Establishing C-BED Size Limits (SF 1070, HF 812)

Another bill in response to the proposed Goodhue County wind farm, this legislation would limit the size of C-BED projects to 25MW. Currently there is no MW limit for C-BED projects.

Other Bills of Note That Did Not Pass

- **CIP Modifications (SF 279, HF 1402)**
The bill would have lifted the cap on system-wide savings and eliminated any further spending on CIP once the 1.5 percent savings goal was achieved.
- **Study of the Cost of Storing Nuclear Waste (SF 50)**
The bill would require the PUC to study the long-term cost of storing nuclear waste in the state and the impact to rate- and taxpayers over the next 500 years. In addition, it would

allow the Minnesota Attorney General to sue the federal government for failing to meet its obligation to safely store spent nuclear fuel.

- **Legislative Energy Commission Study of Nuclear Storage (SF 545, HF 931)**
This would have required the Legislative Energy Commission to study the issue of permanent storage of nuclear waste.
- **Rate Recovery for Some New Nuclear Plant Costs (HF 1308)**
This would allow utilities to recover some of the cost of planning for a new nuclear plant, mainly focused on ways to build safer, less expensive and more efficient plants.
- **Voter-approved Sales Taxes (SF 467, HF 649)**
This legislation would allow local units of government to enact local sales taxes with voter approval.
- **Community Energy Outreach Grants (HF 1177)**
The bill would have required Xcel to provide the Department of Commerce with \$625,000 a year for the next two years for community energy outreach and assistance.
- **DFL Omnibus Environment, Energy & Natural Resources Finance Bill (SF 981, HF 1258)**
The DFL alternative to the Republican budget bill was similar in terms of financing for the PUC and DER.
- **Sales Tax Exemption for Plug-in Vehicles (SF 1086, HF 1364)**
The bill would exempt plug-in electric powered vehicle from sales tax.
- **Repeal of Greenhouse Gas Emissions Control Law (SF 293, HF 509)**
The bill would have eliminated the requirement that the PUC monitor progress on the state's greenhouse gas goals and focus on efforts to reduce greenhouse gases rather than achieve the specific goals.
- **Resolution Against EPA Regulating CO2 (SF 322)**
The resolution would have called on Congress to prevent the EPA from regulating CO2 emissions.
- **Require RDF projects be located in Xcel territory (SF 495)**
This bill would require that energy projects funded by Xcel's Renewable Energy Development Fund (RDF) be located within its service area.
- **Modifying Duties of Environmental Quality Board (HF 1360)**
The bill would have eliminated the oversight duties for the Environmental Quality Board in a number of areas, including pesticide management, water monitoring and planning and pollution monitoring.

- **Geothermal Study (SF 1271, HF 1512)**
The bill would have directed the DER to conduct a study on the feasibility, cost and effectiveness of geothermal and hydrothermal energy from municipal wells.
- **Legislative Approval for New Regulatory Rules (SF261, HF 203)**
The House version of the bill, which would require legislative approval of any new regulation from a state agency with an estimated cost over \$10,000, passed off the floor of the House in March, but stalled in the Senate.
- **Forward Pricing for Energy (HF 560)**
The bill would allow for local government, political subdivisions and state agencies to use forward pricing mechanisms for energy purchases. This was targeted mainly at transportation and heating fuels and specifically excluded electricity.
- **Easement Discharges (SF 229, HF578)**
The legislation would have added “portion of an easement” to the statute dealing with the discharge of an easement when the property is not being used for the purpose of the easement.