

HF 2754 – House Omnibus Energy bill

Article 1—Climate and Energy Finance

Division of Energy Resources

2024: \$116,489,000

2025: \$31,693,000

General Fund

\$150,000 each year is to remediate vermiculite insulation.

\$20,000,000 in the first year is transferred from the general fund to the solar for schools program for school districts.

\$1,138,000 each year is for Solar for Schools for state colleges and universities.

\$189,000 each year is for activities associated with a utility's implementation of a natural gas innovation plan.

\$22,6371,000 in fiscal year 2024 and \$22,6372,000 in fiscal year 2025 are for pre-weatherization work to serve additional households and allow for services that would otherwise be denied due to current federal limitations related to the federal weatherization assistance program.

\$7,200,000 for air source heat pump rebates, \$1,400,000 to contract with an energy coordinator, \$1,400,000 to conduct related contractor training.

\$5,000,000 for rebates on new or used electric vehicles purchased by non-Xcel customers.

\$500,000 for auto dealers seeking certification to sell electric vehicles in non-Xcel territory.

\$5,000,000 for solar on public buildings outside Xcel service territory.

HF 2754 – House Omnibus Energy bill

\$3,000,000 for CERTs.

\$2,500,000 in 2024 (with \$750,000 reserved for consumer-owned utilities) and \$1,000,000 in 2025 for energy benchmarking for buildings.

\$3,000,000 for rebates for energy storage facilities with less than 50 kWh capacity at locations with solar systems in non-Xcel service territories.

\$164,000 in each year to the Department of Commerce to review proposals from utilities that file IRPs to comply with their new energy storage mandate and to establish a docket to develop a peak shaving tariff.

\$1,444,000 in 2024 and \$1,621,000 in 2025 to maintain the current level of service in the Division of Energy Resources.

\$7,000,000 to school districts, transportation service providers and electric utilities for the purchase of electric school buses and related infrastructure in non-Xcel territory.

\$2,500,000 for grants and program administration for non-Xcel residential electrical panel upgrades.

\$500,000 for a grant to the City of Anoka for study, engineering, and design of a reconstructed dam on the Rum River.

Public Utilities Commission

2024: \$10,331,000

2025: \$10,689,000

Includes appropriations related to utility filings of transportation electrification plans, determining compensation for intervenors in MPUC proceedings, appeals of consumer complaints to the full commission, maintain current level of service from the MPUC, review of utility proposals to comply with the new energy storage mandate.

HF 2754 – House Omnibus Energy bill

Pollution Control Agency

2024: \$2,000,000
2025: \$0

\$2,000,000 is for city climate action grants.

Climate Innovation Finance Authority

2024: \$20,000,000
2025: \$0

Article 2—Renewable Development Account

\$100,000 each year is to administer the "Made in Minnesota" solar energy production incentive program.

\$1,000,000 the first year and \$400,000 the second year are for a grant to the University of St. Thomas Center for Microgrid Research.

\$9,126,000 in 2024 and \$3,329,000 in 2025 for electric vehicle rebates for Xcel customers.

\$500,000 for auto dealers seeking certification to sell electric vehicles in Xcel territory.

\$7,000,000 to school districts, transportation service providers and electric utilities for the purchase of electric school buses and related infrastructure in non-Xcel territory.

\$5,000,000 for solar on public buildings in Xcel service territory.

\$2,500,000 for grants and program administration for Xcel residential electrical panel upgrades.

\$3,000,000 for rebates for energy storage facilities with less than 50 kWh capacity at locations with solar systems in Xcel

HF 2754 – House Omnibus Energy bill

service territories.

\$3,000,000 for a contingency fund to remediate problems if they arise with a solar facility in St. Paul's Highland Bridge development (old Ford plant).

\$5,000,000 in 2024 and \$5,000,000 in 2025 for grants to Xcel to upgrade its distribution system to allow for the interconnection of distributed energy resources.

\$250,000 for Xcel to implement the small interconnection cost-sharing program for systems up to a certain size.

\$20,000,000 in the first year to the solar for schools program for school districts in Xcel territory.

\$5,000,000 in each of 2024 and 2025 for grants to community action agencies and other agencies that weatherize residences to install pre-weatherization measures in low-income homes.

\$2,000,000 for the city climate action grants in the 7-county metro.

Article 3—Electrification

Sec. 1—To require a person that charges a privately owned electric vehicle at a charging station located within the Capitol area to pay an electric service fee established by the Department of Administration.

Sec. 2–3—To put electric vehicles at the top of the priority list for new state vehicle acquisitions.

Sec. 4—To require auto dealers that sell electric vehicles to have at least one employee who is certified as having completed certain training on electric vehicles.

Sec. 5—To require investor-owned utilities to file transportation electrification plans with certain elements with the MPUC and update them every three years.

Sec. 6—To establish a grant program for electric school buses and related infrastructure on school property.

Sec. 7—To establish a program for grants of \$2,500 for new electric vehicles and \$500 for used electric vehicles. Vehicles can have maximum manufacturer's suggested retail price of \$55,000.

Sec. 8— To establish a program for grants of up to \$40,000 to train electric vehicle dealers and to purchase and install equipment to service and repair electric vehicles.

HF 2754 – House Omnibus Energy bill

Sec. 9—To establish a program for grants and program administration for residential electrical panel upgrades.

Sec. 10—To require each investor-owned utility to file with the MPUC a tariff related to modifying its distribution system necessary to support transportation electrification.

Article 4—Energy Conservation and Storage

Sec. 1—To make modifications to the Sustainable Buildings Guidelines and require the Department of Administration to report on the status of all related projects and on the effects of the guidelines on their stated measurable goals.

Sec. 2—To require the MPUC to clarify that for the purpose of interconnecting and on-site customer-owned distributed generation facility, the capacity must be measured and expressed as alternating current capacity and as export capacity rather than nameplate capacity.

Section two also requires utilities to allow customers to expand the capacity of their DER facilities without going through the utility's interconnection process and without paying for the utility to determine potential impact to the distribution system.

Sec. 3—To require investor-owned utilities to file tariffs with the MPUC for compensating customer-owners of on-site energy storage systems.

Sec. 4—To require all utilities that file integrated resource plans to deploy energy storage systems of a capacity to be determined by the Department of Commerce so that the statewide capacity of all energy storage systems deployed by all utilities subject to the requirement is at least 3,000 megawatts by 2034.

Sec. 5— To change the definition of "low-income" for the Conservation Improvement Program from 60 percent of the state median income to 80 percent of the median income for the local geographic area as defined by the federal Department of Housing and Urban Development.

Sec. 6—To require utilities subject to the energy storage requirement above to incorporate their storage targets into their IRPs and include an assessment of how the deployment of energy storage contributes to the benefits of the storage systems to the utility's electric system.

Sec. 7— To establish a state goal for energy use reduction in existing commercial and residential buildings of 50% by 2035.

HF 2754 – House Omnibus Energy bill

Sec. 8–10—To establish new pre-weatherization provisions for the Conservation Improvement Program.

Sec. 11—To establish a weatherization training grant program.

Sec. 12— To require energy use reporting into a benchmarking tool by owners of buildings of certain types over 50,000 square feet in area; to require certain utilities to post energy use data of those buildings on an easily accessible web portal. (The House version of this bill includes municipal utilities that serve cities outside the 7-county metro with populations over 50,000. In the Senate version, the only municipal utilities included are Rochester and Duluth.)

Sec.13—To require Xcel to establish an energy storage installation incentive program for customers.

Sec. 14—To establish a rebate program for residential air-source heat pumps.

Sec. 15-26—To exempt energy storage systems with nameplate capacity under 5,000 kilowatts from certificate of need and siting requirements.

Sec. 27— To require the Department of Labor and Industry, beginning in 2024, to adopt each new edition of the ASHRAE90.1 model commercial energy code and amend it as necessary to achieve a minimum of eight percent energy efficiency with each edition to achieve a net zero energy standard for new commercial buildings by 2038.

Sec. 28—To authorize the MPUC to develop and adopt rules for siting energy storage systems with capacity greater than 5,000 kilowatts.

Sec. 29—To authorize the Revisor to make certain conforming changes.

Article 5—Public Utilities Commission Procedures

Sec. 1-2—To allow complainants to the MPUC to appeal administrative decisions affecting them to the full commission.

Sec. 3-4—To change statues governing compensation for intervenors in MPUC proceedings involving investor-owned utilities.

Article 6—Climate

Establishes a Minnesota Climate Innovation Finance Authority (“green bank”) to accelerate deployment of clean energy projects, greenhouse gas emission reduction

HF 2754 – House Omnibus Energy bill

projects, and other qualified projects through the strategic deployment of public funds in the form of grants, loans, credit enhancements, and other financing mechanisms to leverage existing public and private sources of capital to reduce upfront costs, especially in low-income communities. (Sec. 2)

Modifies the state’s greenhouse gas emission reduction goals to net-zero by 2050. “Net-zero” means zero minus any greenhouse gases sequestered underground. (Sec. 3)

Establishes a Local Climate Action Grant program for grants to support local jurisdictions to address climate change by developing and implementing plans of action for adapting to extreme weather events and a changing climate or reducing the local jurisdiction’s contributions to the causes of climate change. (Sec. 4)

Article 7—Solar

Sec. 1— To extend and increase funding for Xcel's Solar Rewards Program; to require Xcel to establish a similar program for customer-owned energy storage system

Sec. 2— To establish a contingency fund to remediate problems if they arise with a solar facility in St. Paul's Highland Bridge development (old Ford plant).

Sec. 3— To require electric utilities to provide customers requested data on the customer's energy usage within 10 days, including monthly usage and usage amounts used to calculate a customer's demand charge.

Sec. 4— To require Minnesota Power and Ottertail Power to establish community solar programs like Xcel's; to increase the allowable capacity of a individual community solar gardens from 1 MW to 5 MW; to provide for eligible community solar gardens to be designated as community access projects; to remove the prohibition against allowing CSGs to enroll subscribers subscribers from counties other than or non-contiguous to the CSG location.

Sec. 5–6—To clarify that the Department of Commerce has authority over the Solar for Schools program.

Sec. 7—To make changes to the Solar for Schools program.

Sec. 8—To establish a Solar on Public Buildings program similar to the Solar on Schools program.

Sec. 9—To establish a distributed energy resources system upgrade program to provided funding to Xcel to complete infrastructure upgrades necessary to enable customers to interconnect distributed energy resources.

HF 2754 – House Omnibus Energy bill

Sec. 10–12—To prohibit homeowners associations from setting certain limitations on homeowners' installation of solar systems.

Sec. 11—Technical changes necessary to transfer funds for use in the Solar for Schools program for Xcel customers.

Sec. 12—Conforming changes to accommodate combining of Solar for Schools statutes governing Xcel and non-Xcel customers.

Article 8—Miscellaneous

Requires projects funding by the renewable development account to pay prevailing wage. (Sec. 1)

Requires solar garden owners to report each year on making and meeting diversity goals as utilities must do. (See section 11 below.) (Sec. 6)

Requires the MPUC to make a finding of public interest before approving investments by a utility under a multiyear rate plan that the utility identifies as necessary to modernize the transmission and distribution system. (Sec. 7)

Increases the value threshold from \$100,000 for public utilities to sell, acquire, lease, or rent any plan as an operating unit or system in Minnesota without MPUC approval. (Sec. 8)

Increase the assessment for department regional and national duties from \$500,000 to \$1 million to perform the duties under section [216A.07, subdivision 3a](#), and to conduct analysis that assesses energy grid reliability at state, regional, and national levels. The amount is assessed to energy utilities in proportion to their respective gross operating revenues from retail sales of gas or electric service within the state during the last calendar year. Also, the requirement for the Department of Commerce to report on how it has used the funds and on its impacts on grid reliability is repealed. (Sec. 9)

Minnesota State Competitiveness Fund (Sec. 11)

Utility diversity reporting (Sec. 12)

Decommissioning and demolition plan for Xcel's Alan S. King plant. (Sec. 15)

Department of Commerce support for tribal advocacy councils on energy. (Sec. 16)