



February 14, 2020

Senator David J. Osmek
Chair, Energy and Utilities Finance and Policy Committee
Minnesota Senate Building, Room 2107
95 University Ave. W.
St. Paul, MN 55155

Representative Jean Wagenius
Chair, Energy and Climate Finance and Policy Division
State Office Building, Room 449
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155

Re: The Renewable Development Account (RDA) and the Renewable Development Fund (RDF)

Chairs Osmek and Wagenius:

This is being provided on behalf of the Commission pursuant to Laws of Minnesota 2017, Chapter 94, Article 10, Section 3, amended Minn. Stat. § 116C.779, subdivision 1, [renewable development account]. Among the several changes within this Chapter was the establishment of the the Renewable Development Account (RDA) as a State Special Revenue fund administered by the Commissioner of Management and Budget, with expenditures from the RDA made by legislative appropriation. Previously, the Renewable Development Fund (RDF) was managed by Xcel Energy, in consultation with an advisory group, and the overall functioning of, and most expenditures from, the RDF were required to be approved by the Minnesota Public Utilities Commission (Commission).

Under the 2017 amended provisions, the RDA advisory group is to design requests for proposals, evaluate projects, and submit recommendations to Xcel Energy, which has sole authority to determine which expenditures are submitted to the Legislature. Under the new law the Commission is limited to recommending to the legislature approval, disapproval, or, if agreed to by Xcel Energy, modifications to the proposed expenditures submitted it to it by Xcel and the advisory group. The Commission is to annually present these recommendations to the Senate and House committees with jurisdiction over energy policy and finance.

The Commission has received no funding recommendations from the advisory group or from Xcel Energy since the effective date of the amended statute. Therefore, the Commission has no recommended appropriations to present to the Legislature at this time for the RDA.

On December 20, 2019, Xcel Energy filed a letter with the Commission stating that the amended statute does not indicate who is to serve on the advisory group, how the third-party evaluator should be selected, or how the administrative costs should be paid. According to Xcel, given the lack of detail in the statute, there are a number of selection processes that need to be developed before project recommendations could be prepared. Therefore, Xcel Energy stated it is not able to provide a recommendation of projects for funding to the Commission or the Legislature and it will seek clarification on these statutory issues during the legislative session.

In the attachment to this letter, the Commission wants to be helpful in providing background information as to recent Commission activities with regards to the legacy appropriations from the RDF and its impact on the RDA to give you an effective frame of reference to work from in your important role of managing this initiative going forward. We also note some ambiguities and uncertainties we have encountered in implementing the 2017 statutory amendments.

We would be happy to follow up on the issues raised in the attachment with you and/or your staff.

Sincerely,

A handwritten signature in black ink, appearing to read "Will Seuffert", with a long horizontal flourish extending to the right.

Will Seuffert
Executive Secretary

Attachment

c: Legislative Reference Library

To request this document in another format such as large print or audio, call 651.296.0406 (voice). Persons with a hearing or speech impairment may call using their preferred Telecommunications Relay Service or email consumer.puc@state.mn.us for assistance.

Background on the Renewable Development Account¹

Overview of Renewable Development Legislation

Funding for renewable development was mandated as part of the 1994 “Prairie Island legislation” codified in Minn. Stat. § 116C.779, that allowed the storage of spent nuclear fuel in dry casks at Northern States Power Company’s (hereinafter referred to as Xcel Energy) Prairie Island nuclear plant. The 1994 law required the company to transfer \$500,000 a year after 1999 to a Renewable Development Fund (RDF) for each dry cask at the Prairie Island plant containing fuel. The 1994 legislation did not provide for oversight of the RDF or specify any role for the Minnesota Public Utilities Commission (Commission) or any other entity.

In 1999, the statute was amended to provide that expenditures from the RDF could be made only after approval by the Commission. In 2003, the statute was further amended, including changing the amount Xcel Energy was to transfer to the RDF to a flat \$16 million annually, and creating a Renewable Energy Production Incentive (REPI) to be funded from the RDF and overseen by the Department of Commerce. In 2007, that statute was again amended to require \$350,000 annually per cask at Xcel Energy’s Monticello nuclear plant to also be transferred to the RDF. Changes were made in 2012 that further specified operational and administrative aspects of the RDF and the Commission’s authority.

In 2017, Minn. Stat. §116C.779 was substantially amended [Laws of Minnesota 2017, Chapter 94, Article 10, Section 3], replacing the RDF with a Renewable Development Account (RDA) that is a Special Revenue fund in the state treasury, administered by Minnesota Management and Budget (MMB). The RDA legislation includes a process for an advisory group to issue Requests for Proposals (RFPs) and make recommendations to Xcel Energy for the projects that should be funded; Xcel Energy determines which projects are brought forward to the Commission. The Commission is to make its funding recommendations to the Legislature by February 15 of each year. Expenditures from the RDA must be appropriated by law by the Legislature.

¹ For more detailed information, the Legislature may wish to refer to the following:

- Commission Orders in Dockets 00-1583, 03-1883, 07-675, and 12-1278
- Annual Commission dockets reviewing RDF financial reports and establishing rate rider recovery factors. The most recent Commission decisions are in Dockets 17-712, 18-628, and 19-609.
- Xcel Energy annual RDF reports to the Legislature and biennial RDF reports to the Commission. The February 15, 2019 Xcel Energy reports, combined into one document, is in e-dockets under all of the docket numbers in the first bullet point. The next annual report to the Commission is due February 18, 2020.

Overview of Commission Implementation of RDF Legislation

The Commission has overseen four cycles of RDF grant processes, in Dockets 00-1583, 03-1883, 07-675, and 12-1278. The Commission issued its first RDF Order on April 20, 2001 in Docket 00-1583, which established the RDF administrative structure, governance process, operations guidelines, regulatory oversight procedures, fund accounting, and cost recovery. Subsequently, the Commission issued a number of Orders on these issues, to reflect changes in legislation, changes in technologies, and lessons learned.

Over the course of these four RDF grant cycles, more than 80 RDF projects were approved and moved forward. Eleven projects, all from Cycle 4, are still active as of December 31, 2019; most of the projects are scheduled to be completed in 2020, and the last two in 2021. In addition, Renewable Energy Production Incentive (REPI) programs are funded through the RDF and administered by the Department of Commerce, and various other legislatively-mandated programs are being funded.

Xcel Energy's 2019 report states that since 2001, approximately \$92.6 million has been provided for RDF grant payments, \$92.6 million for REPI, \$126.5 million for legislatively-mandated projects and programs, and \$2.3 million for general program support.

Uncertainties on Implementation of Transition from RDF to RDA

The Commission's experience to-date with the transition from the RDF to the RDA have identified some uncertainties about the general administration of the legacy RDF and new RDA that the Commission would like to bring to the Legislature's attention.

Commission Responsibility for Legacy RDF Matters

The 2017 amendments deleted language requiring Commission approval of expenditures from the account.

~~(e) Expenditures authorized by this subdivision from the account may be made only after approval by order of the Public Utilities Commission upon a petition by the public utility. The commission may approve proposed expenditures, may disapprove proposed expenditures that it finds to be not in compliance with this subdivision or otherwise not in the public interest, and may, if agreed to by the public utility, modify proposed expenditures. The commission may approve reasonable and necessary expenditures for administering the account in an amount not to exceed five percent of expenditures. Commission approval is not required for expenditures required under subdivisions 2 and 3, section 116C.7791, or other law.~~

The Commission has continued to make decisions related to legacy RDF grant projects that were approved by the Commission prior to the 2017 amendments. For example, the Commission in an October 15, 2018 Order in Docket 17-712, directed Xcel Energy to exercise its termination rights under the Crown Hydro grant contract. In an October 11, 2018 Order in Docket 12-1278, the Commission approved amendments to the grant contract with the Minnesota Renewable Energy Society. The Commission is not authorizing new expenditures or reauthorizing terminated expenditures for new grants from the legacy appropriations, but simply managing the grants authorized prior to the 2017 amendments until they completed under the terms of those legacy RDF grant agreements.

The Commission assumes it has authority to continue to enforce and refine its past Orders and make related decisions with respect to these projects that received grants under the legacy RDF. The Commission would welcome additional clarity or direction from the Legislature if this is not the intended result.

Process for Project Recommendations under the new RDA

The 2017 amendments set out a framework for recommending to the Legislature projects to be funded through the RDA. It includes having an advisory group issue RFPs, evaluate projects, and recommend to Xcel Energy which projects should be funded. The utility has the sole authority to decide which projects shall be submitted by the advisory group to the Legislature.² The Commission is to only approve, disapprove, or modify with Xcel Energy's permission, proposed expenditures. The statute then provides that the Commission is to (also) submit its recommended appropriations from the Account to the Legislature by February 15 of each year.

The statute does not specify how these processes get implemented, including who determines the make-up of the advisory group, how is the group funded, who and how is it determined when an RFP should be issued, what types of projects should be eligible, and how much money should be set aside for projects to be bid into the RFP. The latter is particularly problematic, given the number of bills proposed in the legislature which would directly appropriate monies to specific projects outside of any RFP process.

The statute also does not specify whether any entity other than the advisory group and Xcel Energy have any oversight role. The Commission assumes that its role is limited to overseeing the remainder of the RDF processes and does not see a role in RDA implementation or oversight outside of the very limited role of giving the legislature advice on RFP proposals made by the advisory group and Xcel Energy.

Xcel Energy and the advisory group did not issue RFPs in 2017, 2018, or 2019 (for this Legislative Session), and consequently no further processes took place on the RDA at the Commission.

²The Commission assumes the intent is that Xcel Energy submit the projects to the Commission instead of, (or perhaps in addition to), the Legislature, since the statute goes on to require the Commission to recommend proposed expenditures to the Legislature.

Recovery of RDA Amounts

Minn. Stat. §216B.1645, provides in part that:

216B.1645 POWER PURCHASE CONTRACT OR INVESTMENT

Subdivision 1. Commission authority. Upon the petition of a public utility, the Public Utilities Commission shall approve or disapprove power purchase contracts, investments, or expenditures entered into or made by the utility to satisfy the wind and biomass mandates contained in sections [216B.169](#), [216B.2423](#), and [216B.2424](#), and to satisfy the renewable energy objectives and standards set forth in section [216B.1691](#), including reasonable investments and expenditures made to:

....

3 develop renewable energy sources from the account required in section [116C.779](#).

Subdivision 2. Cost recovery. The expenses incurred by the utility over the duration of the approved contract or useful life of the investment and expenditures made pursuant to section [116C.779](#) shall be recoverable from the ratepayers of the utility, to the extent they are not offset by utility revenues attributable to the contracts, investments, or expenditures. Upon petition by a public utility, the commission shall approve or approve as modified a rate schedule providing for the automatic adjustment of charges to recover the expenses or costs approved by the commission under subdivision 1, . . .

The Commission approved a rate schedule allowing Xcel Energy to recover expenditures from the inception of the RDF. Xcel Energy files a fund accounting and proposed recovery factor annually which is reviewed by the Commission and results in a recovery factor that is included on customer bills. Minn. Stat. § 216B.1645 was not amended in conjunction with the 2017 RDA statutory amendments. Some ambiguity may exist with respect to how Xcel Energy's annual transfers into the RDA are covered under this rate rider language.

Under the Commission's prior and continuing practice for cost recovery for projects under the RDF, Xcel was only allowed to recover RDF costs related to actual or known and measurable expenditures, and that continues to today. However, the payments into the RDA are not associated with specific projects. Therefore, because the payments into the RDA are a statutory obligation for Xcel, the Commission has reviewed and allowed the transfers into the RDA to be included in the annual rider recovery amounts, even though these funds are not tied to specific project and program obligations. Xcel Energy transferred \$8,817,885 for 2018, \$12,566,510 for 2019, and \$14,852,115 for 2020 to MMB for the RDA.

Recovery of RDF and RDA Administrative Costs

The 2017 amendments deleted language allowing the Commission to approve recovery by Xcel Energy of expenditures for administering the RDF. In its review of the RDF/RDA annual recovery factor to be in effect for 2018, the Commission determined that the change in the statute did not provide for recovery of administrative expenses related to the legacy RDF or to the RDA. Xcel did not ask for recovery of administrative expenses through the annual rider recovery factor for 2019 or 2020, based on the Commission's earlier decision. The Commission would welcome additional clarity or direction from the Legislature if this is not the intended result.

Treatment of Changes in Legacy RDF Grant Amounts

The 2017 amendments directed Xcel Energy to withhold from the transfer to the RDA amounts awarded in previous RDF grant cycles not yet expended. However, some legacy RDF grants subsequently were cancelled, such as Crown Hydro, or amounts changes, such as the Minnesota Renewable Energy Society projects. The statute does not specify how the related amounts that were withheld from transfer from the RDA should be treated.

The Commission would welcome additional clarity or direction from the Legislature on this issue.

Xcel's RDF/RDA Transfer Obligation

Under the 2017 amendments, Xcel was required to transfer on July 1, 2017, "all funds in the renewable development account previously established under the subdivision . . ." Xcel did not transfer any funds at that time, stating that there were no funds in the account collected from ratepayers. However, Xcel Energy did have unexpended and uncommitted per cask obligations of approximately \$25 million.

If the 2017 amendments had not been made, those monies would have been rolled forward and used for a future RFP or other mandate. The Commission wants to emphasize that it designed the legacy RDF appropriation mechanism in such a fashion as to protect ratepayers from being charged for the collection of money out of their pockets to just remain unexpended in an account waiting for some possible future grant.

Therefore, at the July 1, 2017 date when the new legislation mandated a transfer of unobligated RDF funds to the RDA, there were no monies sitting in a dedicated fund at Xcel Energy; rather this approximately \$25 million amount represented potential future resources that might be expended for a new RFP funding cycle or other mandates. A future RDF cycle never occurred due to the 2017 amendments and, thus, no new RDF projects and grants were approved, and no monies were taken from ratepayers to be placed as "funds" into the legacy RDF.

The Commission determined that instituting a substantial one-time rate increase would be contrary both to the objective for implementation of the statute as intended by the legislature and the ratepayers' interest. Nonetheless, the Commission would welcome additional clarity or direction from the Legislature on the appropriate treatment of uncollected per cask obligations from the past legacy RDF.



414 Nicollet Mall
Minneapolis, MN 55401

December 20, 2019

–Via Electronic Filing–

Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, Minnesota 55101

RE: 2019 RENEWABLE DEVELOPMENT ACCOUNT FUNDING RECOMMENDATION
DOCKET NO. E002/ M-12-1278

RENEWABLE DEVELOPMENT FUND ANNUAL REPORT, TRACKER ACCOUNT
TRUE-UP AND REQUEST NEW 2019 RIDER FACTOR
DOCKET NO. E002/M-19-609

Dear Mr. Wolf:

The Renewable Development Fund (RDF) Statute (Minn. Stat. S. 116C.779— provided as Attachment A to this letter) was modified in 2017. One change was that the RDF was renamed to now be the Renewable Development Account (RDA). In addition, the process to identify and select projects to be funded by the RDA was also amended.

Under the revised statute, there continues to be an advisory group (as there was before) which has the responsibility to submit funding recommendations to Xcel Energy. The statute also indicates that the advisory group has the authority to issue Requests for Proposals (RFP) and that they must hire a third-party to evaluate those proposals. However, the amended statute does not indicate who is to serve on the advisory group, or how the third-party evaluator should be selected, or how the administrative costs should be paid.

The statute goes on to indicate that the Commission may approve proposed expenditures, may disapprove proposed expenditures that it finds not to be in compliance with the statute or otherwise not in the public interest, and may, if agreed to by Xcel Energy, modify proposed expenditures. The Commission is then to annually submit the funding recommendations by February 15 to the Legislature.

Given the lack of detail in the statute, there are a number of selection processes that need to be developed before a recommendation of projects can be prepared.

Development of the selection process in the statute was not clarified in the 2019 legislative session; therefore, the Company is not able to provide a recommendation of projects for funding at this time.

The Company will seek clarification regarding these statutory issues during the upcoming legislative session and will keep the Commission informed of its progress.

If you have questions regarding this filing please contact me at (612) 330-6064 or bria.e.shea@xcelenergy.com; or Pamela Gibbs at pamela.k.gibbs@xcelenergy.com or 612-330-2889.

Sincerely,

/s/

BRIA E SHEA
DIRECTOR, REGULATORY AND STRATEGIC ANALYSIS

Enclosure
cc: Service List

116C.779 FUNDING FOR RENEWABLE DEVELOPMENT.

Subdivision 1. **Renewable development account.** (a) The renewable development account is established as a separate account in the special revenue fund in the state treasury. Appropriations and transfers to the account shall be credited to the account. Earnings, such as interest, dividends, and any other earnings arising from assets of the account, shall be credited to the account. Funds remaining in the account at the end of a fiscal year are not canceled to the general fund but remain in the account until expended. The account shall be administered by the commissioner of management and budget as provided under this section.

(b) On July 1, 2017, the public utility that owns the Prairie Island nuclear generating plant must transfer all funds in the renewable development account previously established under this subdivision and managed by the public utility to the renewable development account established in paragraph (a). Funds awarded to grantees in previous grant cycles that have not yet been expended and unencumbered funds required to be paid in calendar year 2017 under paragraphs (f) and (g), and sections 116C.7792 and 216C.41, are not subject to transfer under this paragraph.

(c) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing each January 15 thereafter, the public utility that owns the Prairie Island nuclear generating plant must transfer to the renewable development account \$500,000 each year for each dry cask containing spent fuel that is located at the Prairie Island power plant for each year the plant is in operation, and \$7,500,000 each year the plant is not in operation if ordered by the commission pursuant to paragraph (i). The fund transfer must be made if nuclear waste is stored in a dry cask at the independent spent-fuel storage facility at Prairie Island for any part of a year.

(d) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing each January 15 thereafter, the public utility that owns the Monticello nuclear generating plant must transfer to the renewable development account \$350,000 each year for each dry cask containing spent fuel that is located at the Monticello nuclear power plant for each year the plant is in operation, and \$5,250,000 each year the plant is not in operation if ordered by the commission pursuant to paragraph (i). The fund transfer must be made if nuclear waste is stored in a dry cask at the independent spent-fuel storage facility at Monticello for any part of a year.

(e) Each year, the public utility shall withhold from the funds transferred to the renewable development account under paragraphs (c) and (d) the amount necessary to pay its obligations under paragraphs (f) and (g), and sections 116C.7792 and 216C.41, for that calendar year.

(f) If the commission approves a new or amended power purchase agreement, the termination of a power purchase agreement, or the purchase and closure of a facility under section 216B.2424, subdivision 9, with an entity that uses poultry litter to generate electricity, the public utility subject to this section shall enter into a contract with the city in which the poultry litter plant is located to provide grants to the city for the purposes of economic development on the following schedule: \$4,000,000 in fiscal year 2018; \$6,500,000 each fiscal year in 2019 and 2020; and \$3,000,000 in fiscal year 2021. The grants shall be paid by the public utility from funds withheld from the transfer to the renewable development account, as provided in paragraphs (b) and (e).

(g) If the commission approves a new or amended power purchase agreement, or the termination of a power purchase agreement under section 216B.2424, subdivision 9, with an entity owned or controlled, directly or indirectly, by two municipal utilities located north of Constitutional Route No. 8, that was previously used to meet the biomass mandate in section 216B.2424, the public utility that owns a nuclear generating plant shall enter into a grant contract with such entity to provide \$6,800,000 per year for five

years, commencing 30 days after the commission approves the new or amended power purchase agreement, or the termination of the power purchase agreement, and on each June 1 thereafter through 2021, to assist the transition required by the new, amended, or terminated power purchase agreement. The grant shall be paid by the public utility from funds withheld from the transfer to the renewable development account as provided in paragraphs (b) and (e).

(h) The collective amount paid under the grant contracts awarded under paragraphs (f) and (g) is limited to the amount deposited into the renewable development account, and its predecessor, the renewable development account, established under this section, that was not required to be deposited into the account under Laws 1994, chapter 641, article 1, section 10.

(i) After discontinuation of operation of the Prairie Island nuclear plant or the Monticello nuclear plant and each year spent nuclear fuel is stored in dry cask at the discontinued facility, the commission shall require the public utility to pay \$7,500,000 for the discontinued Prairie Island facility and \$5,250,000 for the discontinued Monticello facility for any year in which the commission finds, by the preponderance of the evidence, that the public utility did not make a good faith effort to remove the spent nuclear fuel stored at the facility to a permanent or interim storage site out of the state. This determination shall be made at least every two years.

(j) Funds in the account may be expended only for any of the following purposes:

(1) to stimulate research and development of renewable electric energy technologies;

(2) to encourage grid modernization, including, but not limited to, projects that implement electricity storage, load control, and smart meter technology; and

(3) to stimulate other innovative energy projects that reduce demand and increase system efficiency and flexibility.

Expenditures from the fund must benefit Minnesota ratepayers receiving electric service from the utility that owns a nuclear-powered electric generating plant in this state or the Prairie Island Indian community or its members.

The utility that owns a nuclear generating plant is eligible to apply for grants under this subdivision.

(k) For the purposes of paragraph (j), the following terms have the meanings given:

(1) "renewable" has the meaning given in section 216B.2422, subdivision 1, paragraph (c), clauses (1), (2), (4), and (5); and

(2) "grid modernization" means:

(i) enhancing the reliability of the electrical grid;

(ii) improving the security of the electrical grid against cyberthreats and physical threats; and

(iii) increasing energy conservation opportunities by facilitating communication between the utility and its customers through the use of two-way meters, control technologies, energy storage and microgrids, technologies to enable demand response, and other innovative technologies.

(l) A renewable development account advisory group that includes, among others, representatives of the public utility and its ratepayers, and includes at least one representative of the Prairie Island Indian community appointed by that community's tribal council, shall develop recommendations on account

expenditures. The advisory group must design a request for proposal and evaluate projects submitted in response to a request for proposals. The advisory group must utilize an independent third-party expert to evaluate proposals submitted in response to a request for proposal, including all proposals made by the public utility. A request for proposal for research and development under paragraph (j), clause (1), may be limited to or include a request to higher education institutions located in Minnesota for multiple projects authorized under paragraph (j), clause (1). The request for multiple projects may include a provision that exempts the projects from the third-party expert review and instead provides for project evaluation and selection by a merit peer review grant system. In the process of determining request for proposal scope and subject and in evaluating responses to request for proposals, the advisory group must strongly consider, where reasonable, potential benefit to Minnesota citizens and businesses and the utility's ratepayers.

(m) The advisory group shall submit funding recommendations to the public utility, which has full and sole authority to determine which expenditures shall be submitted by the advisory group to the legislature. The commission may approve proposed expenditures, may disapprove proposed expenditures that it finds not to be in compliance with this subdivision or otherwise not in the public interest, and may, if agreed to by the public utility, modify proposed expenditures. The commission shall, by order, submit its funding recommendations to the legislature as provided under paragraph (n).

(n) The commission shall present its recommended appropriations from the account to the senate and house of representatives committees with jurisdiction over energy policy and finance annually by February 15. Expenditures from the account must be appropriated by law. In enacting appropriations from the account, the legislature:

(1) may approve or disapprove, but may not modify, the amount of an appropriation for a project recommended by the commission; and

(2) may not appropriate money for a project the commission has not recommended funding.

(o) A request for proposal for renewable energy generation projects must, when feasible and reasonable, give preference to projects that are most cost-effective for a particular energy source.

(p) The advisory group must annually, by February 15, report to the chairs and ranking minority members of the legislative committees with jurisdiction over energy policy on projects funded by the account for the prior year and all previous years. The report must, to the extent possible and reasonable, itemize the actual and projected financial benefit to the public utility's ratepayers of each project.

(q) By February 1, 2018, and each February 1 thereafter, the commissioner of management and budget shall submit a written report regarding the availability of funds in and obligations of the account to the chairs and ranking minority members of the senate and house committees with jurisdiction over energy policy and finance, the public utility, and the advisory group.

(r) A project receiving funds from the account must produce a written final report that includes sufficient detail for technical readers and a clearly written summary for nontechnical readers. The report must include an evaluation of the project's financial, environmental, and other benefits to the state and the public utility's ratepayers.

(s) Final reports, any mid-project status reports, and renewable development account financial reports must be posted online on a public website designated by the commissioner of commerce.

(t) All final reports must acknowledge that the project was made possible in whole or part by the Minnesota renewable development account, noting that the account is financed by the public utility's ratepayers.

116C.779

MINNESOTA STATUTES 2019

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(u) Of the amount in the renewable development account, priority must be given to making the payments required under section 216C.417.

Subd. 2. Renewable energy production incentive. (a) Until January 1, 2021, \$10,900,000 annually must be allocated from available funds in the account to fund renewable energy production incentives. \$9,400,000 of this annual amount is for incentives for electricity generated by wind energy conversion systems that are eligible for the incentives under section 216C.41 or Laws 2005, chapter 40.

(b) The balance of this amount, up to \$1,500,000 annually, may be used for production incentives for on-farm biogas recovery facilities and hydroelectric facilities that are eligible for the incentive under section 216C.41 or for production incentives for other renewables, to be provided in the same manner as under section 216C.41.

(c) Any portion of the \$10,900,000 not expended in any calendar year for the incentive is available for other spending purposes under subdivision 1. This subdivision does not create an obligation to contribute funds to the account.

(d) The Department of Commerce shall determine eligibility of projects under section 216C.41 for the purposes of this subdivision. At least quarterly, the Department of Commerce shall notify the public utility of the name and address of each eligible project owner and the amount due to each project under section 216C.41. The public utility shall make payments within 15 working days after receipt of notification of payments due.

Subd. 3. [Repealed, 2017 c 94 art 10 s 30]

History: 1994 c 641 art 1 s 10; 1999 c 200 s 1; 1Sp2003 c 11 art 2 s 1; 1Sp2005 c 1 art 4 s 14; 2007 c 57 art 2 s 9; 2009 c 110 s 1,2; 2010 c 361 art 5 s 2; 2011 c 97 s 2,3; 2012 c 196 s 1,2; 2017 c 94 art 10 s 3

CERTIFICATE OF SERVICE

I, Paget Pengelly, hereby certify that I have this day served copies of the foregoing document on the attached list of persons.

xx by depositing a true and correct copy thereof, properly enveloped with postage paid in the United States mail at Minneapolis, Minnesota; or

xx by electronic filing.

DOCKET Nos. E002/M-19-609; E002/M-12-1278

Dated this 20th day of December 2019

/s/

Paget Pengelly
Regulatory Administrator

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Mara	Ascheman	mara.k.ascheman@xcelenergy.com	Xcel Energy	414 Nicollet Mall Fl 5 Minneapolis, MN 55401	Electronic Service	No	OFF_SL_12-1278_Official
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1800 St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_12-1278_Official
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 280 Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_12-1278_Official
Cheryal Lee	Hills	chills@regionfive.org	Region Five Development Commission	200 First Street NE Suite 2 Staples, MN 56479	Electronic Service	No	OFF_SL_12-1278_Official
Kevin	McKoskey	awards@umn.edu	Regents of the University of MN	450 McNamara 200 Oak Street SE Minneapolis, MN 55455	Electronic Service	No	OFF_SL_12-1278_Official
Thomas	Melone	Thomas.Melone@AllcoUS.com	Minnesota Go Solar LLC	222 South 9th Street Suite 1600 Minneapolis, Minnesota 55120	Electronic Service	No	OFF_SL_12-1278_Official
Robert	Messerich	b.messerich@gmail.com	Dragonfly Solar, LLC	10583 202nd St West Lakeville, MN 55044	Electronic Service	No	OFF_SL_12-1278_Official
Brian	Millberg	brian.millberg@minneapolismn.gov	City of Minneapolis	661 5th Avenue North Minneapolis, Minnesota 55405	Electronic Service	No	OFF_SL_12-1278_Official
Alan	Muller	alan@greendel.org	Energy & Environmental Consulting	1110 West Avenue Red Wing, MN 55066	Electronic Service	No	OFF_SL_12-1278_Official
Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012131	Electronic Service	Yes	OFF_SL_12-1278_Official

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
David	Shaffer	shaff081@gmail.com	Minnesota Solar Energy Industries Project	1005 Fairmount Ave Saint Paul, MN 55105	Electronic Service	No	OFF_SL_12-1278_Official
Bria	Shea	bria.e.shea@xcelenergy.com	Xcel Energy	414 Nicollet Mall Minneapolis, MN 55401	Electronic Service	No	OFF_SL_12-1278_Official
Lynnette	Sweet	Regulatory.records@xcelenergy.com	Xcel Energy	414 Nicollet Mall FL 7 Minneapolis, MN 554011993	Electronic Service	No	OFF_SL_12-1278_Official
Dr. Don	Weinkauf	dhweinkauf@stthomas.edu	University of St. Thomas	Mail OSS 101 2115 Summit Ave St. Paul, MN 55105-1079	Electronic Service	No	OFF_SL_12-1278_Official
Daniel P	Wolf	dan.wolf@state.mn.us	Public Utilities Commission	121 7th Place East Suite 350 St. Paul, MN 551012147	Electronic Service	Yes	OFF_SL_12-1278_Official

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
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