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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. 234

01/12/2017 Authored by Baker, Garofalo, Pelowski, Davids, Nornes and others
The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance
01/19/2017 Adoption of Report: Re-referred to the Committee on Ways and Means

1.1 A bill for an act
1.2 relating to energy; amending Public Utilities Commission regulation of municipal
1.3 electric utilities and rural electric cooperatives; amending Minnesota Statutes 2016,
1.4 section 216B.164, subdivisions 5, 9, by adding a subdivision.

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

1.6 Section 1. Minnesota Statutes 2016, section 216B.164, subdivision 5, is amended to read:

1.7 Subd. 5. **Dispute; resolution.** In the event of disputes between ~~an electric~~ a public utility
1.8 and a qualifying facility, either party may request a determination of the issue by the
1.9 commission. In any such determination, the burden of proof shall be on the public utility.
1.10 The commission in its order resolving each such dispute shall require payments to the
1.11 prevailing party of the prevailing party's costs, disbursements, and reasonable attorneys'
1.12 fees, except that the qualifying facility will be required to pay the costs, disbursements, and
1.13 attorneys' fees of the public utility only if the commission finds that the claims of the
1.14 qualifying facility in the dispute have been made in bad faith, or are a sham, or are frivolous.

1.15 EFFECTIVE DATE. This section is effective the day following final enactment.

1.16 Sec. 2. Minnesota Statutes 2016, section 216B.164, subdivision 9, is amended to read:

1.17 Subd. 9. **Municipal electric utility.** For purposes of this section only, ~~except subdivision~~
1.18 ~~5,~~ and with respect to municipal electric utilities only, the term "commission" means the
1.19 governing body of each municipal electric utility that adopts and has in effect rules
1.20 implementing this section which are consistent with the rules adopted by the Minnesota
1.21 Public Utilities Commission under subdivision 6. As used in this subdivision, the governing
1.22 body of a municipal electric utility means the city council of that municipality; except that,

2.1 if another board, commission, or body is empowered by law or resolution of the city council  
2.2 or by its charter to establish and regulate rates and days for the distribution of electric energy  
2.3 within the service area of the city, that board, commission, or body shall be considered the  
2.4 governing body of the municipal electric utility.

2.5 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.6 Sec. 3. Minnesota Statutes 2016, section 216B.164, is amended by adding a subdivision  
2.7 to read:

2.8 Subd. 11. **Cooperative electric association.** (a) For purposes of this section only, the  
2.9 term "commission" means the board of directors of a cooperative association that (1) elects,  
2.10 by resolution, to assume the authority delegated to the Public Utilities Commission over  
2.11 cooperative electric associations under this section, and (2) adopts and has in effect rules  
2.12 implementing this section, including rules providing for a process to resolve disputes that  
2.13 arise under this section. A cooperative electric association that has adopted a resolution and  
2.14 rules under this subdivision is exempt from regulation by the Public Utilities Commission  
2.15 under this section.

2.16 (b) Any proceedings concerning the activities of a cooperative electric association under  
2.17 this section that are pending at the Public Utilities Commission on the effective date of this  
2.18 section are terminated on that date.

2.19 **EFFECTIVE DATE.** This section is effective the day following final enactment.