



SF 4/HF 7
93rd Legislature (2023-2024)

Minnesota's 100% Clean Energy Bill

The 100% Clean Energy Bill raises Minnesota's Renewable Energy Standard and creates a new Carbon-Free Standard that would require all of Minnesota's utilities to produce carbon-free electricity by 2040.

Renewable Energy Standard (RES)

25% by 2025
55% by 2035

Renewable energy includes solar, wind, hydroelectric facilities, hydrogen, and certain types of biomass, not including large garbage incinerators that emit pollution in areas of concern for environmental justice.

Carbon-Free Standard

80% by 2030
90% by 2035
100% by 2040

Carbon-free sources must generate electricity without emitting carbon dioxide. This includes renewable energy, and also electricity from sources like nuclear energy that do not produce any carbon but are not renewable.

The bill provides guidance to the Minnesota Public Utilities Commission (PUC) on how to enforce the two standards, and what to do if they cannot meet them:

◆ **Requires utilities to report on their progress.**

- ◆ Minnesota's utilities are already required to report their progress on meeting state laws when they seek approval for their long-term plans (called their Integrated Resource Plans, or IRPs), when raising their customers' rates, and when building or buying new facilities.
- ◆ Utilities already need to report their use of renewable energy, their efforts taken to meet the current RES, obstacles encountered, and potential solutions. This bill would require utilities to report on four additional items every two years:
 - Number of Minnesotans they employ to meet the standards;
 - Efforts to retain and retrain workers currently employed at retiring facilities;
 - Impacts on areas of environmental justice* concern; and
 - Efforts to increase the diversity of utilities' workforce and vendors.

*The 100% Clean Energy Bill defines an "area of concern for environmental justice" as an area where:

- More than 40% of the residents are nonwhite,
- 35% or more of the residents have an income below 185% of the federal poverty rate,
- 40% or more of residents over the age of five have limited English proficiency
- Within Indian country, as defined by federal law.

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◆ **Directs the PUC to maximize the benefits of renewable energy for all Minnesotans.**

- ◆ Currently, the PUC is required to balance the ownership of renewable energy facilities with their potential impacts on customer's costs and the system's reliability.
- ◆ The 100% bill strengthens this direction to the PUC, requiring them to maximize:
 - Creating family-supporting jobs;
 - Recognizing workers' rights to organize;
 - Providing workers with the tools, opportunities, and assistance needed to transition to clean energy, particularly in areas of concern for environmental justice;
 - Ensuring clean energy benefits and opportunities are fully shared by all Minnesotans;
 - Lowering air emissions, particularly in areas of concern for environmental justice; and
 - Keeping electricity affordable for low-income Minnesotans.

◆ **Encourages utilities to locate new clean energy facilities where fossil-fuel plants are closing.**

- ◆ Those seeking permission to build or repower large electricity-generating facilities may be required to pay workers at the area's prevailing wage rate. For example, the prevailing wage requirement applies to solar energy facilities over 50,000 kilowatts and wind energy facilities over 25,000 kilowatts.

◆ **Strengthens the off-ramp for utilities if they can't meet either standard.**

- ◆ Current law provides a way for Minnesota's utilities to request to delay or modify the RES if it would raise costs too much, make electricity less reliable, or was technically impossible.
- ◆ The bill keeps this 'off-ramp' but strengthens it by requiring the PUC to also consider the impacts on areas of concern for environmental justice, efforts of utilities to solve technological problems, and the overall, long-term cost of greenhouse gas pollution.

Minnesota Renewable Energy Snapshot

Data from American Clean Power Association



The 100% Clean Energy Bill also takes measures to streamline the permitting process for renewables. These changes are needed to reach 100% by 2040.

◆ **Clean Energy Deployment Provisions:**

- ◆ Eliminate the Certificate of Need (CN) Requirement for IPP wind and solar projects;
- ◆ Combine small gen-tie lines with the site permit for solar facilities, giving PUC jurisdiction;
- ◆ Recognize the importance of local labor and community economic benefits;
- ◆ Allow the PUC to consider environmental and socioeconomic factors in permitting;
- ◆ Permit Dept. of Commerce to begin environmental review after PUC hearing and vote; and
- ◆ Clarify that alternative solar sites are not required in environmental review.

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