Minnesota Energy-Related Mandates and Status

STATE GREENHOUSE GAS REDUCTION GOAL
2007 Minn. Stat. 216H.02 Reduce greenhouse gas emissions across all sectors producing those emissions to at a level at least:

- 15% below 2005 levels by 2015;
- 30% percent below 2005 levels by 2025; and
- 80% below 2005 levels by 2050.

Status
Various studies are in progress to determine most feasible use of such tools as cap and trade, low carbon fuel standards, and emissions baselines and profiles.

2007 Minn. Stat. 216H.02
https://webrh12.revisor.leg.state.mn.us/statutes/?id=216H.02
and
Subd. 2. Definition; statewide power sector carbon dioxide emissions.
https://webrh12.revisor.leg.state.mn.us/statutes/?id=216H.03&year=2008

RENEWABLE ENERGY STANDARD (RES)
2007 Minn. Stat. 216B.1691 requires that the state’s electric utilities obtain the following percentages of energy from renewables by the following dates:

<table>
<thead>
<tr>
<th>Year</th>
<th>Utilities</th>
<th>Xcel</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>7% (goal)</td>
<td>15% req.</td>
</tr>
<tr>
<td>2012</td>
<td>12% req.</td>
<td>18% req.</td>
</tr>
<tr>
<td>2016</td>
<td>17% req.</td>
<td>25% req.</td>
</tr>
<tr>
<td>2020</td>
<td>20% req.</td>
<td>30% req.</td>
</tr>
<tr>
<td>2025</td>
<td>25% req.</td>
<td>30% req.</td>
</tr>
<tr>
<td>Total</td>
<td>27% renewable electricity by 2525</td>
<td></td>
</tr>
</tbody>
</table>

Status:
- All utilities have achieved current goal of 1%.
- Xcel is well positioned to meet 15% requirement by 2010
- Based on data to be submitted by utilities in November 2008, the OES will review and report progress utilities are making in meeting RES in the next Legislative Report (due 1/1/5/09).

ENERGY SAVINGS
2007 Minn. Stat. 216B.241 changed minimum spending requirement to energy savings requirement for Minnesota electric and natural gas utilities. Utilities are to reduce retail energy sales by 1.5% based on a three year average through Conservation Improvement Program investments.

Status:
- Electric utilities
  - 1.5% of electricity sales amount to about 1 billion kWh/yr
  - Electric utilities are currently conserving around 500,000 kWh/yr, or 50% of target.

Natural gas utilities
1.5% of natural gas sales amount to about 4.9 billion cubic feet of NG.
Natural gas utilities are currently conserving around 1.9 billion cubic feet, or about 40% of target.

### BIODIESEL CONTENT MANDATE

2008 Regular Session Chapter 297--S.F.No. 3683, Sec. 51. All biodiesel fuel sold or offered for sale in MN for use in internal combustion engines must contain the following percentage of biodiesel fuel oil by volume. “Biodiesel fuel” means a renewable, biodegradable, mono alkyl ester combustible liquid fuel that is derived from agricultural and other plant oils (excluding palm oil) or animal fats.

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Date</th>
</tr>
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<tbody>
<tr>
<td>Current</td>
<td>2%</td>
</tr>
<tr>
<td>May 2009</td>
<td>5%</td>
</tr>
<tr>
<td>May 2011</td>
<td>10%</td>
</tr>
<tr>
<td>May 2013</td>
<td>15%</td>
</tr>
<tr>
<td>May 2015</td>
<td>20%</td>
</tr>
</tbody>
</table>

**Status:**
The state currently has achieved 2% requirement and is on target to achieve 5% biodiesel content by May 2009. The 10% (2011) and 20% (2015) requirements however, will require a considerable amount of industry interaction to achieve. Cold weather properties and other issues of these higher blends are being reviewed by the Biodiesel Task Force.

### OXYGENATED GASOLINE

Minn. Statute 239.791 Subd. 1a. Minimum ethanol content required. By August 30, 2013 all gasoline sold or offered for sale in Minnesota must contain at least 20 percent denatured ethanol by volume. “Agricultural alcohol gasoline” means a gasoline-ethanol blend with ethanol derived from agricultural products, such as potatoes, cereal, grains, cheese whey, sugar beets, forest products or other renewable resources. (Requirement is subject to EPA approving a 211 (f)(4) waiver to the clean air act certifying E20 as "gasoline" by December 31, 2010.)

**Status:**
Approximately 2.8 billion of gasoline was sold in the state last year of which about 285 million gallons, or 10%, was ethanol. (Of this amount of fuel-blended ethanol sold, approximately 15 millions gallons was E85.) To achieve the 20% fuel-blended ethanol sales by 2013, ten additional percent must be blended within five years.

### ENERGY POLICY GOALS.

Minn. Statute 216C.05 Subd. 2.
It is the energy policy of the state of Minnesota that:
(1) the per capita use of fossil fuel as an energy input be reduced by 15 percent by the year 2015, through increased reliance on energy efficiency and renewable energy alternatives; and
(2) 25 percent of the total energy used in the state be derived from renewable energy resources by the year 2025. [https://www.revisor.leg.state.mn.us/statutes/?id=216C.05](https://www.revisor.leg.state.mn.us/statutes/?id=216C.05)