

## History of the Legislative Energy Commission

The Legislative Energy Commission (LEC) was formed in 1994 as the Legislative Energy Task Force (LETF) to examine issues relating to electric power generation in Minnesota. Over the years, the LETF/LEC has undergone a number of minor changes to membership, assessment authority and mission focus. Currently, the main mission focus as authorized by M.S. 3.8851 is to “continuously evaluate the energy policies of this state and the degree to which they promote an environmentally and economically sustainable energy future.”

The Commission has the authority to hire staff but has generally not exercised that authority. Funding for the Commission is provided by an assessment authority of \$250,000/yr spread across all electric and natural gas utilities as well as petroleum terminals in Minnesota.

The current bipartisan membership consists of ten members of the house and ten of the senate from the energy, environment, agriculture, transportation policy areas. Additionally, one representative and one senator from the NextGen Energy Board must be appointed.

While the LEC has authority to propose legislation, its history suggests this has not been common practice.

Questions that the members could consider:

- Should this LEC focus on information gathering, legislative initiatives or some other purpose?
- How can we promote member interest in the workings of the LEC?
- How can member time be best utilized?
- Can the majority of work be accomplished outside meeting time, leveraging staff and email?

Below is a synopsis of legislative changes to the LEC since its inception:

### **1994**

The legislature established the Legislative Electric Energy Task Force to study future electric energy sources, costs and make recommendations for legislation on a variety of topics including:

- Environmentally and economically sustainable electric energy supply.
- Long term issues associated with Minnesota’s nuclear power plants.

The task force consisted of 16 members, including chairs of the environment and natural resources, regulated industries, and energy committees. Six members from each body are appointed at large; two from each body must be from the minority caucus.

## **1997**

Membership was expanded from 16 to 20 and the assessment authority was modified with an increase in the annual assessment from \$350K to \$700K for ongoing operations.

## **1998**

Extensive changes were made to the duties of the task force with an emphasis on utility deregulation. The task force was required to study and analyze a variety of topics including:

- Bulk power system reliability, infrastructure and regulation.
- Distribution, reliability, safety, and maintenance in a competitive market.
- Universal energy service in the state, with special emphasis on ensuring affordable service for rural and low-income energy consumers.
- Utility information disclosure and consumer protection.
- Renewable energy, efficiency, and environmental sustainability.
- Unbundling of energy rates.
- Laws and regulations that could prevent Minnesota utilities from competing fairly in competitive electricity markets and make recommendations as to how those requirements could be fulfilled in a competitively neutral manner.
- Study and analyze issues related to stranded costs

Additionally, the task force convened technical advisory working groups to study, in depth, the issues listed above.

## **2001**

The annual assessment was reduced from \$700K to \$150K.

## **2003**

The annual assessment authority was increased from \$150K to \$250K and the LETF was charged with studying the transportation of spent nuclear fuel from Minnesota to a national repository, and alternative energy sources including:

- Wind energy
- Hydrogen as a fuel carrier produced from renewables
- Biomass
- Decomposition gases produced by solid waste
- Solid waste as a direct fuel
- Clean coal technology

## **2005**

Beginning in 2005, the LETF was required to submit reports every 2 years to the legislature containing an overview of information gathered and analyses that have been prepared and make specific recommendations, if any, for legislative action.

## **2007**

Membership changes were made to include the Energy Finance and Policy Division and the Energy, Utilities & Telecommunications Committee Chairs.

Additionally, the task force was directed to request that the Manitoba Hydro-Electric Board provide the following information for each community that is a signatory to the Northern Flood Agreement, including South Indian Lake:

- Median household income and number of residents employed full time and part time.
- The number of outstanding claims filed against Manitoba Hydro by individuals and communities and the number of claims settled by Manitoba Hydro.
- The amount of shoreline damaged by flooding and erosion and the amount of shoreline restored and cleaned.

## **2008**

The legislature changed the name of the task force to the Legislative Energy Commission and modified the membership and duties to what is currently reflected in Minnesota Statute 3.8851.

## **2010**

The Legislature Clarified that 50% of the assessment against the utilities shall come from all bulk terminal loads located in this state from which petroleum products and liquid petroleum gas are dispensed.

This change reflects a desire for a more comprehensive energy approach that reaches beyond electric energy.