

NEWS RELEASE

Posted 5/4/2009

House Passes Omnibus Environment and Energy Omnibus Bills

A compromise bill to fund renewable energy and environmental efforts passed the Minnesota House today on a vote of 98 to 35. The Environment and Energy Omnibus Bill passed the Senate shortly after and is now headed to the Governor to either sign into law or veto.

While the bill makes strategic cuts of \$78 million in environmental spending, it is designed to safeguard Minnesota's environmental preservation efforts. Energy programs were similarly focused to make sure the state's renewable energy goals were not compromised. Since the majority of funding for the Commerce Department, which includes the Office of Energy Security, comes from federal government pass-through and special revenue funds, the cuts to Commerce and Energy were minimal. The conference report does not include the Governor's proposed cuts to Payment in lieu of Taxes (PILT). That program is designed to help offset various costs in counties with large areas of public lands in Greater Minnesota. Reductions to PILT could have resulted in significant property tax increases for northern counties.

"I think the bill strikes the right balance of the need to make budget cuts as part of our efforts to close the state budget shortfall, while resisting efforts to compromise our nation-leading renewable energy goals and environmental conservation programs," said State Rep. Brita Sailer.

Sailer continued "This bill works with public utility companies to meet Conservation Improvement Program (CIP) requirements to invest a portion of their revenues on efforts to conserve energy by rewarding plans to invest in solar," said Sailer. "Some Minnesota utilities are forging ahead aggressively in solar energy investments and we want to keep encouraging their efforts."

Sailer had several provisions included in the bill, including one that allows public utility companies to meet their renewable energy goals with either wind or solar energy, and another which encourages the development of energy storage devices (batteries) by allowing them to recover costs. Sailer also had a provision to help local governments and schools reduce solid waste disposal costs through composting.

"There is widespread agreement on the need to continue aggressively pursuing alternative sources of energy," said Sailer. "While finding a way to do that during a recession is not easy, I'm confident we did our best not to jeopardize any worthwhile endeavors."

Other highlights of the bill include:

- Provides the Public Utility Commission (PUC) with more authority and flexibility to provide incentives to make conservation promotion profitable for utilities.
- Funding for Explore Minnesota Tourism to promote Parks and Recreational areas
- Continuation of the highly successful solar rebate program.

- Permits utilities to spend more than 5% and up to 10% of its CIP expenditures on qualified solar projects.