

# Minnesota policy and CHP:

## Increasing efficiency, reducing emissions

In the Next Generation Energy Act (NGEA), the Minnesota Legislature in 2007 established statewide goals relating to energy conservation, renewable energy, and greenhouse gas (GHG) emissions. These and other State policies create frameworks for CHP to help address Minnesota's energy goals.

The NGEA set specific goals to reduce fossil fuel use and GHG emissions. The Act established a goal of reducing per-capita use of fossil fuel 15 percent by the year 2015 (*Minn. Statutes 2016C.05 Subd. 2*). It also established GHG reduction goals (*Minn. Stat. 216H.02*) and called for a climate change action plan for Minnesota.

### Minnesota GHG goals

The Next Generation Energy Act established goals to reduce statewide GHG emissions from 2005 levels by:

- 15 percent by 2015
- 30 percent by 2025
- 80 percent by 2050

In 2008, the Minnesota Climate Change Advisory Group recommended that the Legislature provide "incentives and resources to promote CHP." (See Fig. 1).

### Conservation Improvement Program

The NGEA established a goal to save energy totaling 1.5 percent of average retail gas and electricity sales beginning in 2010. The Act specified that electric utilities may allocate toward this goal their savings from qualified improvements to generation, transmission, or distribution facilities.

### Portfolio Standards

The NGEA set a goal to derive 25 percent of Minnesota's energy from renewable sources by the year 2025 (*Minn. Stat. 216C.05 Subd. 2*). CHP plants that burn biomass fuels, such as agricultural waste, woody biomass, and landfill gas, can contribute toward meeting Minnesota's RPS goals.

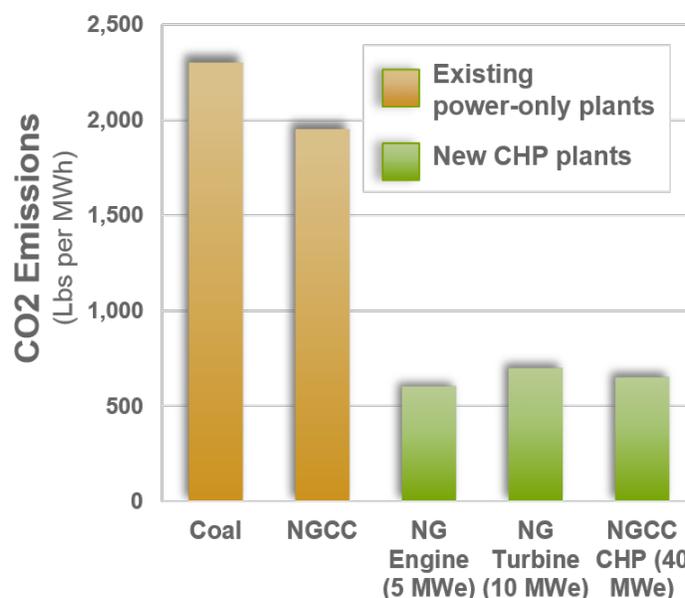


Fig. 1: Comparison of carbon dioxide emissions from power-only and CHP plants. (Source: FVB Energy)

### Integrated Resource Planning

The Minnesota Public Utilities Commission (PUC) reviews integrated resource plans (IRP) filed by electric utilities every two years. As part of IRP, each utility is required to file a GHG mitigation plan, including total CO<sub>2</sub> emissions and the effects of various strategies (*Minn. Stat. 216B.2422 Subd. 4*).

