

Supporting changes in the way franchise agreements are made

Minnesota State law currently limits how cities can negotiate franchise agreements with energy utility companies. Cities in Minnesota can impose franchise fees and set conditions on the utility company's use of the public right-of-way. However, cities do not have the authority to impose greenhouse gas reduction, renewable energy, or conservation targets; that authority belongs to the State. Other innovative approaches to meeting the City's energy and environmental goals, such as aggregating customer accounts to negotiate rates and environmental performance, are also not allowed.

Given the ongoing changes in energy services and needs, as well as City and State energy and sustainability goals, the City believes that it's time for changes to State law that regulate these utilities. The City of Minneapolis supports changes in State laws regarding how franchise agreements are reached. The City seeks:

- Changes that allow for increased flexibility by municipalities to meet federal, regional, State and local public health and environmental goals.
- Legislation directing State energy efficiency and renewable energy goals to be incorporated in local municipal franchise agreements.
- Legislation clarifying and reforming the way a municipal-owned utility can form.