

S.F. No. 1404 (as amended by the A-1 amendment) – Program establishment to award grants for the installation of solar energy generating systems on public buildings

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Overview

S.F. 1404 establishes a program in the Department of Commerce to stimulate the installation of solar energy generating systems on public buildings. The program will award grants to local units of government, excluding school districts eligible for financial assistance under the solar for schools program, including federally recognized Tribes in Minnesota.

Summary

Section 1. [Minn. Stat. § 216C.377] **Solar grant program; public buildings.**

Subd. 1. Definitions. Defines the terms “developer,” “local unit of government,” “municipal electric utility,” “public building,” and “solar energy generating system.”

Subd. 2. Establishment; purpose. Establishes the solar on public buildings grant program in the Department of Commerce, and provides a statement of the program’s purpose.

Subd. 3. Establishment of account. Establishes the solar on public buildings grant program account in the special revenue fund. Requires the commissioner of commerce to manage the account.

Subd. 4. Appropriation; expenditures. Appropriates the money in the solar on public buildings grant program account to the commissioner of commerce. Provides that the account’s money may only be used: (1) for grant awards under this new section of law, and (2) to pay the reasonable costs of the Department of Commerce for administration of this new section of law.

Subd. 5. Eligible system. Describes the eligibility requirements for a local unit of government’s solar energy generating system for the local unit to receive a grant. Such requirements

include that the solar energy system: (1) is installed on or adjacent to a public building that consumes the electricity generated by the system, on property within the service territory of the utility currently providing electric service to the public building, and (2) has a capacity that does not exceed the lesser of 40 kilowatts or 120 percent of the average annual electricity consumption of the public building measured over the most recent three calendar years. Authorizes a municipal electric utility to own and operate a solar energy generating system awarded a grant on behalf of and for the benefit of the local unit of government.

Subd. 6. Application process. Requires the commissioner of commerce to issue a request for proposals to utilities, local units of government, and developers in connection with this new section of law, and to administer an open application process at least twice per year. Describes the minimum content of applications for grants under this new section of law. Requires the commissioner of commerce to develop administrative procedures for applications and grant awards.

Subd. 7. Energy conservation review. Authorizes the commissioner of commerce to request information on energy conservation measures implemented at the public building at which the solar energy generating system is to be installed.

Subd. 8. Technical assistance. Requires the commissioner of commerce to provide technical assistance to local units of government to develop and execute projects under this new section of law.

Subd. 9. Grant payments. Specifies award amount requirements the commissioner of commerce must follow when awarding a grant from the solar on public buildings grant program to a local unit of government, including the necessary and reasonable costs associated with the purchase and installation of a solar energy system.

Subd. 10. Application deadline. Establishes a deadline for application submissions under this new section of law.

Subd. 11. Contractor conditions. Requires a contractor or subcontractor performing construction work on a project supported by a grant under this new section of law to pay employees on the project at least the prevailing wage rate.

Subd. 12. Reporting. Requires annual reports, from January 15, 2024 to January 15, 2027, from the commissioner of commerce to the legislative committees with jurisdiction over energy finance and policy on grants, amounts awarded to local units of government, and remaining balances in the solar on public buildings grant program account.

Section 2. Appropriations. Appropriates money in fiscal year 2024 from the general fund and the renewable development account to the commissioner of commerce in connection with the solar on public buildings grant program.