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S.F. No. 2301 – Minnesota Climate Innovation Finance Authority (A-1 Delete Everything Amendment)

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Date: March 13, 2023

Section 1 [Minnesota Climate Innovation Finance Authority] creates the Minnesota Climate Innovation Finance Authority to accelerate the deployment of certain clean energy projects.

Subd. 1 [Establishment] establishes the Minnesota Climate Innovation Finance Authority (“Authority”) to accelerate the deployment of clean energy projects, greenhouse gas emissions reduction projects, and other qualified projects through the strategic deployment of public funds in the form of grants, loans, credit enhancements, and other financial mechanisms.

Subd. 2. [Definitions] defines various terms used in the bill.

Subd. 3 [General Powers] the Authority is given the same general powers that most corporate bodies have, including the authority to hire staff, sue and be sued, acquire property, enter into contracts, etc.

Subd. 4 [Authority Powers] the Authority is required to serve as a financial resource to reduce the upfront costs for certain greenhouse-gas reducing projects that promote energy efficiency, clean energy, electrification, or water conservation and quality. The Authority is also required to prioritize the use of its funds to leverage private investment, to stimulate demand for qualified projects, to finance projects in all regions of the state, and to collect reasonable fees for its services.

Subd. 5 [Underserved Market Analysis] requires the Authority to conduct an analysis of a financial market it is considering entering in order to determine the extent to which that market is underserved, and to ensure that the authority’s activities supplement, and to not supplant, the efforts of financing entities currently serving the market.

Subd. 6 [Authority Lending Practices] requires the Authority to give preference to projects that will maximize the creation of high-quality employment opportunities for local workers, that will use energy technologies produced domestically, and that will certify, for all contractors and subcontractors, that the rights of workers to organize and unionize are recognized.

This section also requires that for all projects with a budget of \$100,000 or more, all contractors and subcontractors must pay the prevailing wage rate. Finally, this section also requires that loans to homeowners follow certain state and federal laws.

Subd. 7 [Strategic Plan] requires the Authority to adopt a strategic plan to guide the Authority's work over the next two years.

Subd. 8 [Investment Strategy] requires the Authority to adopt a long-term investment strategy every four years to ensure that the Authority's goal to reduce greenhouse gas emissions is reflected in its operations. Requires consultation in the development of the strategy with similar organizations in other states, utilities, environmental and energy nonprofits, and labor organizations. Requires submission of draft investment strategies to the appropriate legislative committees.

Subd. 9 [Public Communications and Outreach] requires the Authority to maintain a public website, issue electronic newsletters periodically, and hold quarterly meetings to keep the general public aware of the Authority's activities.

Subd. 10 [Board of Directors] establishes an 11-member board of directors for the Climate Authority, consisting of the following:

- The commissioner of commerce, or the commissioner's designee
- The commissioner of labor and industry, or the commissioner's designee
- The commissioner of the Pollution Control Agency, or the commissioner's designee
- The commissioner of the Department of Employment and Economic Development, or the commissioner's designee
- The chair of the Minnesota Indian Affairs Council board, or the chair's designee
- Six members appointed by the Governor

Members serve a term of four years, and at least two members must permanently reside outside of the metropolitan area. No member may serve more than two full terms.

Subd. 11 [Report; Audit] requires that the Authority submit an annual report to the Governor and to the appropriate legislative committees on the Authority's activities during the previous year. The report must include a financial audit conducted by an independent third party.

Subd. 12 [Appropriation] appropriates \$45,000,000 in fiscal year 2024 to the Authority to finance acceleration of certain clean energy projects in accordance with the statute created under this act.