

1.1 Senator moves to amend S.F. No. 2847 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "ARTICLE 1

1.4 ENERGY FINANCE

1.5 Section 1. APPROPRIATIONS.

1.6 The sums shown in the columns marked "Appropriations" are appropriated to the agencies
 1.7 and for the purposes specified in this article. The appropriations are from the general fund,
 1.8 or another named fund, and are available for the fiscal years indicated for each purpose.
 1.9 The figures "2024" and "2025" used in this article mean that the appropriations listed under
 1.10 them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively.
 1.11 "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium"
 1.12 is fiscal years 2024 and 2025. If an appropriation in this act is enacted more than once in
 1.13 the 2023 legislative session, the appropriation must be given effect only once.

1.14	<u>APPROPRIATIONS</u>	
1.15	<u>Available for the Year</u>	
1.16	<u>Ending June 30</u>	
1.17	<u>2024</u>	<u>2025</u>

1.18 Sec. 2. DEPARTMENT OF COMMERCE

1.19	<u>Subdivision 1. Total Appropriation</u>	<u>\$ 106,420,000</u>	<u>\$ 35,540,000</u>
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1.20 Appropriations by Fund

1.21		<u>2024</u>	<u>2025</u>
1.22	<u>General</u>	<u>105,344,000</u>	<u>34,443,000</u>
1.23	<u>Petroleum Tank</u>	<u>1,076,000</u>	<u>1,097,000</u>

1.24 The amounts that may be spent for each
1.25 purpose are specified in the following
1.26 subdivisions.

1.27	<u>Subd. 2. Energy Resources</u>	<u>105,344,000</u>	<u>34,443,000</u>
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1.28 (a) \$150,000 each year is to remediate
 1.29 vermiculite insulation from households that
 1.30 are eligible for weatherization assistance under
 1.31 Minnesota's weatherization assistance program
 1.32 state plan under Minnesota Statutes, section
 1.33 216C.264. Remediation must be done in

2.1 conjunction with federal weatherization
2.2 assistance program services.

2.3 (b) \$15,000,000 in the first year is transferred
2.4 from the general fund to the solar for schools
2.5 program account in the special revenue fund
2.6 for grants under the solar for schools program
2.7 established under Minnesota Statutes, section
2.8 216C.375. The money under this paragraph
2.9 must be expended on schools located outside
2.10 the electric service territory of the public
2.11 utility that is subject to Minnesota Statutes,
2.12 section 116C.779.

2.13 (c) \$1,138,000 in the first year is to provide
2.14 financial assistance to schools that are state
2.15 colleges and universities to purchase and
2.16 install solar energy generating systems under
2.17 Minnesota Statutes, section 216C.375. This
2.18 appropriation must be expended on schools
2.19 located outside the electric service territory of
2.20 the public utility that is subject to Minnesota
2.21 Statutes, section 116C.779. Money under this
2.22 paragraph is available until June 30, 2034.
2.23 Any money remaining on June 30, 2034,
2.24 cancel to the general fund.

2.25 (d) \$189,000 each year is for activities
2.26 associated with a utility's implementation of
2.27 a natural gas innovation plan under Minnesota
2.28 Statutes, section 216B.2427.

2.29 (e) \$2,630,000 the first year and \$21,340,000
2.30 the second year are for preweatherization work
2.31 to serve additional households and allow for
2.32 services that would otherwise be denied due
2.33 to current federal limitations related to the
2.34 federal weatherization assistance program.
2.35 Money under this paragraph is transferred

3.1 from the general fund to the preweatherization
3.2 account in the special revenue fund under
3.3 Minnesota Statutes, section 216C.264,
3.4 subdivision 1c. The base in fiscal year 2026
3.5 is \$690,000 and the base in fiscal year 2027
3.6 is \$690,000.

3.7 (f) \$3,739,000 each year is for the
3.8 strengthening Minnesota homes program
3.9 under Minnesota Statutes, section 65A.299,
3.10 subdivision 4. Money under this paragraph is
3.11 transferred from the general fund to the
3.12 strengthening Minnesota homes account in
3.13 the special revenue fund. The base in fiscal
3.14 year 2026 and later is \$1,239,000.

3.15 (g) \$300,000 the first year is to conduct an
3.16 advanced nuclear study. This is a onetime
3.17 appropriation.

3.18 (h) \$850,000 the first year is for a grant to the
3.19 Minnesota Amateur Sports Commission to
3.20 replace the roof on the ice rink and a
3.21 maintenance facility at the National Sports
3.22 Center in Blaine in order to install solar arrays.
3.23 This is a onetime appropriation.

3.24 (i) \$500,000 the first year and \$500,000 the
3.25 second year are for a grant to the clean energy
3.26 resource teams partnerships under Minnesota
3.27 Statutes, section 216C.385, subdivision 2, to
3.28 provide additional capacity to perform the
3.29 duties specified under Minnesota Statutes,
3.30 section 216C.385, subdivision 3.

3.31 (j) \$17,500,000 the first year is for a grant to
3.32 an investor-owned electric utility that has at
3.33 least 50,000 retail electric customers, but no
3.34 more than 200,000 retail electric customers,

4.1 to increase the capacity and improve the
4.2 reliability of an existing high-voltage direct
4.3 current transmission line that runs between
4.4 North Dakota and Minnesota. This is a
4.5 onetime appropriation and will be used to
4.6 support the cost-share component of a federal
4.7 grant application to a program enacted in the
4.8 federal Infrastructure Investment and Jobs Act,
4.9 Public Law 117-58, and otherwise may be
4.10 used to reduce the cost of the high-voltage
4.11 direct current transmission project upgrade.

4.12 (k) \$2,410,000 the first year and \$2,410,000
4.13 the second year are for grants for the
4.14 development of clean energy projects by
4.15 Tribal nations or Tribal communities sharing
4.16 geographic borders with Minnesota. Of this
4.17 amount, \$2,000,000 each year is for grants
4.18 and \$410,000 each year is for technical
4.19 assistance and administrative support for the
4.20 Tribal Advocacy Council on Energy. This is
4.21 a onetime appropriation and is available until
4.22 June 30, 2027. As part of the technical
4.23 assistance and administrative support of this
4.24 program, the commissioner must hire a Tribal
4.25 liaison to support the Tribal Advocacy Council
4.26 on Energy and advise the department on the
4.27 development of a culturally-responsive clean
4.28 energy grants program based on the priorities
4.29 identified by the Tribal Energy Council.

4.30 (l) \$3,000,000 the first year is for a grant to
4.31 Clean Energy Economy Minnesota for the
4.32 Minnesota Energy Alley initiative to secure
4.33 the state's energy and economic development
4.34 future. The appropriation may be used to
4.35 establish and support the initiative, provide

5.1 seed funding for businesses, develop a training
5.2 and development program, support recruitment
5.3 of entrepreneurs to Minnesota, and secure
5.4 funding from federal programs and corporate
5.5 partners to establish a self-sustaining,
5.6 long-term revenue model. This is a onetime
5.7 appropriation.

5.8 (m) \$500,000 the first year is for a grant to the
5.9 city of Anoka for feasibility studies as
5.10 described in this paragraph and design,
5.11 engineering, and environmental analysis
5.12 related to the repair and reconstruction of the
5.13 Rum River Dam. Findings from the feasibility
5.14 studies must be incorporated into the design
5.15 and engineering funded by this appropriation.
5.16 This appropriation is onetime and is available
5.17 until June 30, 2027. This appropriation
5.18 includes money for the following studies: (1)
5.19 a study to assess the feasibility of adding a
5.20 lock or other means for boats to traverse the
5.21 dam to navigate between the lower Rum River
5.22 and upper Rum River; (2) a study to assess
5.23 the feasibility of constructing the dam in a
5.24 manner that would facilitate recreational river
5.25 surfing at the dam site; and (3) a study to
5.26 assess the feasibility of constructing the dam
5.27 in a manner to generate hydroelectric power.

5.28 (n) \$3,500,000 the first year is for awarding
5.29 electric panel upgrade grants under Minnesota
5.30 Statute, section 216C.46 and to reimburse the
5.31 reasonable cost of the department to
5.32 administer the program. Grants awarded with
5.33 funds appropriated under this subdivision must
5.34 be awarded only to owners of single-family
5.35 homes or multifamily buildings that are

6.1 located outside the electric service area of the
6.2 public utility subject to Minnesota Statutes,
6.3 section 116C.779. This is a onetime
6.4 appropriation and remains available until June
6.5 30, 2032. Any unexpended funds as of that
6.6 date cancel to the general fund.

6.7 (o) \$10,000,000 the first year is for distributed
6.8 energy grants under Minnesota Statutes,
6.9 section 216C.377. Money under this paragraph
6.10 is transferred to the distributed energy
6.11 resources system upgrade program account
6.12 for eligible expenditures under the distributed
6.13 energy resources system upgrade program.

6.14 This is a onetime appropriation.

6.15 (p) \$5,000,000 the first year is for Minnesota
6.16 Climate Innovation Finance Authority
6.17 established under Minnesota Statutes, section
6.18 216C.441, for the purposes of Minnesota
6.19 Statutes, section 216C.441. This is a onetime
6.20 appropriation.

6.21 (q) \$1,000,000 the first year is for
6.22 implementing energy benchmarking under
6.23 Minnesota Statutes, section 216C.331. This
6.24 appropriation is onetime and is available until
6.25 June 30, 2027.

6.26 (r) \$750,000 the first year is for grants to
6.27 qualifying utilities to support the development
6.28 of technology for implementing energy
6.29 benchmarking under Minnesota Statutes,
6.30 section 216C.331. This is a onetime
6.31 appropriation and is available until June 30,
6.32 2026.

6.33 (s) \$750,000 the first year is for a grant to
6.34 Building Owners and Managers Association

7.1 Greater Minneapolis to establish partnerships
7.2 with three technical colleges and high school
7.3 career counselors with a goal of increasing the
7.4 number of building engineers across
7.5 Minnesota. This is a onetime appropriation
7.6 and is available until June 30, 2028. The grant
7.7 recipient must provide a detailed report to the
7.8 chairs and ranking minority members of the
7.9 legislative committees having jurisdiction over
7.10 higher education by January 15 of each year
7.11 until 2028, describing how the grant funds
7.12 were used. The report must describe the
7.13 progress made toward the goal of increasing
7.14 the number of building engineers and
7.15 strategies used.

7.16 (t) \$6,000,000 the first year is to implement
7.17 the heat pump rebate program under
7.18 Minnesota Statutes, section 216C.44, and to
7.19 reimburse the reasonable costs incurred by the
7.20 department to administer the program. Of this
7.21 amount: (1) \$4,000,000 is to award rebates
7.22 under Minnesota Statutes, section 216C.45,
7.23 subdivision 4; and (2) \$2,000,000 is to conduct
7.24 contractor training and support under
7.25 Minnesota Statutes, section 216C.45,
7.26 subdivision 6. This is a onetime appropriation.

7.27 (u) \$2,000,000 the first year is to award
7.28 rebates to purchase or lease eligible electric
7.29 vehicles under Minnesota Statutes, section
7.30 216C.401. Rebates must be awarded under
7.31 this paragraph only to eligible purchasers
7.32 located outside the retail electric service area
7.33 of the public utility that is subject to
7.34 Minnesota Statutes, section 116C.779. This is
7.35 a onetime appropriation.

8.1 (v) \$2,000,000 the first year is to award grants
8.2 under Minnesota Statutes, section 216C.402,
8.3 to automobile dealers seeking certification to
8.4 sell electric vehicles. Grants must only be
8.5 awarded under this paragraph to eligible
8.6 dealers located outside the retail electric
8.7 service area of the public utility that is subject
8.8 to Minnesota Statutes, section 116C.779. This
8.9 is a onetime appropriation.

8.10 (w) \$2,000,000 the first year is for grants to
8.11 install on-site energy storage systems, as
8.12 defined in Minnesota Statutes, section
8.13 216B.2422, subdivision 1, paragraph (f), with
8.14 a capacity of 50 kilowatt hours or less and that
8.15 are located outside the electric service area of
8.16 the electric utility subject to Minnesota
8.17 Statutes, section 116C.779. To receive a grant
8.18 under this paragraph, an owner of the energy
8.19 storage system must be operating a solar
8.20 energy generating system at the same site as
8.21 the energy storage system or have filed an
8.22 application with a utility to interconnect a solar
8.23 energy generating system at the same site as
8.24 the energy storage system. This is a onetime
8.25 appropriation and is available until June 30,
8.26 2027.

8.27 (x) \$500,000 the first year is for a feasibility
8.28 study to identify and process Minnesota iron
8.29 resources that could be suitable for upgrading
8.30 to long-term battery storage specifications.
8.31 The results of the feasibility study must be
8.32 submitted to the commissioner of commerce
8.33 and to the chairs and ranking minority
8.34 members of the house of representatives and
8.35 senate committees with jurisdiction over

9.1 energy policy no later than February 1, 2025.

9.2 This is a onetime appropriation.

9.3 (y) \$15,000,000 the first year is for electric

9.4 grid resiliency grants. This is a onetime

9.5 appropriation and is available until June 30,

9.6 2028.

9.7 (z) \$2,000,000 the first year is for electric

9.8 school bus grants under Minnesota Statutes,

9.9 section 216B.1616. This is a onetime

9.10 appropriation.

9.11 (aa) \$1,000,000 the first year is for grants

9.12 under the Air Ventilation Program Act.

9.13 **Subd. 3. Petroleum Tank Release Compensation**
 9.14 **Board**

1,076,000

1,097,000

9.15 This appropriation is from the petroleum tank

9.16 fund.

9.17 **Sec. 3. PUBLIC UTILITIES COMMISSION**

\$

10,168,000

\$

10,430,000

9.18 **Sec. 4. AGRICULTURE**

\$

13,392,000

\$

0

9.19 \$13,392,000 the first year is for grants to

9.20 cooperatives to invest in green fertilizer

9.21 production facilities. This is a onetime

9.22 appropriation and is available until June 30,

9.23 2032.

9.24 **Sec. 5. ADMINISTRATION**

\$

1,190,000

\$

0

9.25 (a) \$690,000 the first year is for a contract

9.26 with the Board of Regents for the University

9.27 of Minnesota for the Institute on the

9.28 Environment to research and provide

9.29 recommendations for establishing new energy

9.30 guidelines for state buildings under Minnesota

9.31 Statutes, section 16B.325, subdivision 2. The

9.32 grant agreement must require the director of

9.33 the Institute on the Environment to submit a

10.1 written report to the chairs and ranking
 10.2 minority members of the legislative
 10.3 committees in the house of representatives and
 10.4 the senate with primary jurisdiction over
 10.5 energy policy and capital investment that
 10.6 summarizes the findings and
 10.7 recommendations, including recommendations
 10.8 for policy and legislative changes.

10.9 (b) \$500,000 the first year is for the
 10.10 environmental analysis of construction
 10.11 materials under Minnesota Statutes, section
 10.12 16B.312. Of this amount, \$300,000 is
 10.13 transferred to the Department of
 10.14 Transportation.

10.15 **ARTICLE 2**

10.16 **RENEWABLE DEVELOPMENT ACCOUNT APPROPRIATIONS**

10.17 Section 1. **RENEWABLE DEVELOPMENT FINANCE.**

10.18 (a) The sums shown in the columns marked "Appropriations" are appropriated to the
 10.19 agencies and for the purposes specified in this article. Notwithstanding Minnesota Statutes,
 10.20 section 116C.779, subdivision 1, paragraph (j), the appropriations are from the renewable
 10.21 development account in the special revenue fund established in Minnesota Statutes, section
 10.22 116C.779, subdivision 1, and are available for the fiscal years indicated for each purpose.
 10.23 The figures "2024" and "2025" used in this article mean that the appropriations listed under
 10.24 them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively.
 10.25 "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium"
 10.26 is fiscal years 2024 and 2025.

10.27 (b) If an appropriation in this article is enacted more than once in the 2023 regular or
 10.28 special legislative session, the appropriation must be given effect only once.

10.29 **APPROPRIATIONS**

10.30 **Available for the Year**

10.31 **Ending June 30**

10.32 **2024**

2025

10.33 **Sec. 2. DEPARTMENT OF COMMERCE**

10.34 **Subdivision 1. Total Appropriation** **\$** **51,920,000** **\$** **8,000,000**

- 11.1 The amounts that may be spent for each
11.2 purpose are specified in the following
11.3 subdivisions.
- 11.4 **Subd. 2. "Made in Minnesota" Administration**
- 11.5 \$100,000 each year is to administer the "Made
11.6 in Minnesota" solar energy production
11.7 incentive program under Minnesota Statutes,
11.8 section 216C.417. Any unspent amount
11.9 remaining on June 30, 2025, cancels to the
11.10 renewable development account.
- 11.11 **Subd. 3. Third-Party Evaluator**
- 11.12 \$500,000 each year is for costs associated with
11.13 any third-party expert evaluation of a proposal
11.14 submitted in response to a request for proposal
11.15 to the Renewable Development Advisory
11.16 Group under Minnesota Statutes, section
11.17 116C.779, subdivision 1, paragraph (l). No
11.18 portion of this appropriation may be expended
11.19 or retained by the commissioner of commerce.
11.20 Any money appropriated under this paragraph
11.21 that is unexpended at the end of a fiscal year
11.22 cancels to the renewable development account.
- 11.23 **Subd. 4. Microgrid Research and Application**
- 11.24 (a) \$3,000,000 the first year and \$400,000 the
11.25 second year are for a grant to the University
11.26 of St. Thomas Center for Microgrid Research
11.27 for the purposes of paragraph (b). The base in
11.28 fiscal year 2026 is \$400,000 and \$0 in fiscal
11.29 year 2027.
- 11.30 (b) The appropriations in this subdivision must
11.31 be used by the University of St. Thomas
11.32 Center for Microgrid Research to:
- 11.33 (1) increase the center's capacity to provide
11.34 industry partners opportunities to test

12.1 near-commercial microgrid products on a
12.2 real-world scale and to multiply opportunities
12.3 for innovative research;
12.4 (2) procure advanced equipment and controls
12.5 to enable the extension of the university's
12.6 microgrid to additional buildings; and
12.7 (3) expand (i) hands-on educational
12.8 opportunities for undergraduate and graduate
12.9 electrical engineering students to increase
12.10 understanding of microgrid operations, and
12.11 (ii) partnerships with community colleges.
12.12 (c) \$4,100,000 the first year is for a grant to
12.13 the University of St. Thomas Center for
12.14 Microgrid Research for capacity building and
12.15 matching requirements as a condition of
12.16 receiving federal funds. This appropriation is
12.17 available until June 30, 2034.

12.18 **Subd. 5. Solar on State College and University**
12.19 **Campuses**

12.20 \$1,138,000 the first year is to provide financial
12.21 assistance to schools that are state colleges
12.22 and universities to purchase and install solar
12.23 energy generating systems under Minnesota
12.24 Statutes, section 216C.376. This appropriation
12.25 must be expended on schools located inside
12.26 the electric service territory of the public
12.27 utility that is subject to Minnesota Statutes,
12.28 section 116C.779. This is a onetime
12.29 appropriation and is available until June 30,
12.30 2025.

12.31 **Subd. 6. Granite Falls Hydroelectric Generating**
12.32 **Facility**

12.33 \$2,432,000 the first year is for a grant to the
12.34 city of Granite Falls for repair and overage
12.35 costs related to the city's existing hydroelectric

13.1 generating facility. This is a onetime
13.2 appropriation and any amount unexpended by
13.3 June 30, 2025, shall be returned to the
13.4 renewable development account.

13.5 **Subd. 7. National Sports Center Solar Array**

13.6 \$4,150,000 the first year is to the Minnesota
13.7 Amateur Sports Commission to install solar
13.8 arrays. This appropriation may be used to
13.9 replace the roof and install solar arrays on an
13.10 ice rink and a maintenance facility at the
13.11 National Sports Center in Blaine. This is a
13.12 onetime appropriation.

13.13 **Subd. 8. Electric Vehicle Rebates**

13.14 (a) \$2,000,000 the first year is to award rebates
13.15 to purchase or lease eligible electric vehicles
13.16 under Minnesota Statutes, section 216C.401.
13.17 Rebates must be awarded under this paragraph
13.18 only to eligible purchasers located within the
13.19 retail electric service area of the public utility
13.20 that is subject to Minnesota Statutes, section
13.21 116C.779.

13.22 (b) \$2,000,000 the first year is to award grants
13.23 under Minnesota Statutes, section 216C.402,
13.24 to automobile dealers seeking certification
13.25 from an electric vehicle manufacturer to sell
13.26 electric vehicles. Rebates must only be
13.27 awarded under this paragraph to eligible
13.28 dealers located within the retail electric service
13.29 area of the public utility that is subject to
13.30 Minnesota Statutes, section 116C.779.

13.31 **Subd. 9. Area C Contingency Account**

13.32 \$3,000,000 the first year is for deposit in the
13.33 Area C contingency account for the purposes
13.34 of Minnesota Statutes, section 116C.7793.

14.1 This appropriation is available until June 30,
14.2 2028, or five years after the Pollution Control
14.3 Agency issues any corrective action
14.4 determination regarding the remediation of
14.5 Area C under section 116C.7793, subdivision
14.6 3, whichever is later. Any unexpended funds
14.7 remaining in the account as of that date
14.8 cancels to the renewable development account.

14.9 **Subd. 10. Electric Panel Upgrade Grants**
14.10 \$3,500,000 the first year is for the purpose of
14.11 awarding electric panel upgrade grants under
14.12 Minnesota Statutes, section 216C.46 and to
14.13 reimburse the reasonable cost of the
14.14 department to administer the program. Grants
14.15 awarded with funds appropriated under this
14.16 subdivision must be awarded only to owners
14.17 of single-family homes or multifamily
14.18 buildings that are located within the electric
14.19 service area of the public utility subject to
14.20 Minnesota Statutes, section 116C.779. This is
14.21 a onetime appropriation and remains available
14.22 until June 30, 2032. Any unexpended funds
14.23 as of that date cancel to the renewable
14.24 development account.

14.25 **Subd. 11. Emerald Ash Borer Wood Dehydrator**
14.26 (a) \$2,000,000 the second year is for a grant
14.27 to the owner of a biomass energy generation
14.28 plant in Shakopee that uses waste heat from
14.29 the generation of electricity in the malting
14.30 process to purchase a wood dehydrator to
14.31 facilitate disposal of wood that is infested by
14.32 the emerald ash borer. This is a onetime
14.33 appropriation.

15.1 (b) By October 1, 2024, the commissioner of
15.2 commerce must report to the chairs and
15.3 ranking minority members of the legislative
15.4 committees and divisions with jurisdiction
15.5 over commerce on the use of money
15.6 appropriated under this subdivision.

15.7 **Subd. 12. Energy Storage Incentive Grants**

15.8 \$10,000,000 the first year is to award grants
15.9 to install energy storage systems under
15.10 Minnesota Statutes, section 216C.379, and to
15.11 pay the reasonable costs incurred by the
15.12 department to administer Minnesota Statutes,
15.13 section 216C.379. This is a onetime
15.14 appropriation and is available until June 30,
15.15 2027.

15.16 **Subd. 13. Distributive Energy Resources System**
15.17 **Upgrades**

15.18 \$5,000,000 the second year is for eligible
15.19 expenditures under the distributed energy
15.20 resources system upgrade program established
15.21 in Minnesota Statutes, section 216C.377. Of
15.22 this amount, \$250,000 is to implement the
15.23 small interconnection cost-sharing program
15.24 ordered by the Public Utilities Commission
15.25 on December 19, 2022, in Docket
15.26 E002/M-18-714 to cover the costs of certain
15.27 distribution upgrades for customers of the
15.28 utility subject to Minnesota Statutes, section
15.29 116C.779, seeking interconnection of
15.30 distributed generation or up to a certain size.
15.31 These funds may be used for the reasonable
15.32 costs of distribution upgrades as defined in
15.33 Minnesota Statutes, section 216C.377,
15.34 subdivision 1.

16.1 **Subd. 14. Heat Pump Grants**

16.2 \$6,000,000 the first year is to implement the
16.3 heat pump rebate program under Minnesota
16.4 Statutes, section 216C.45, and to reimburse
16.5 the reasonable costs incurred by the
16.6 department to administer the program.

16.7 **Subd. 15. Solar on Public Buildings**

16.8 \$5,000,000 the first year is for deposit in the
16.9 solar on public buildings grant program
16.10 account for the grant program described in
16.11 Minnesota Statutes, section 216C.378. The
16.12 appropriation in this subdivision must be used
16.13 only to provide grants to public buildings
16.14 located within the electric service area of the
16.15 electric utility subject to Minnesota Statutes,
16.16 section 116C.779.

16.17 **Subd. 16. Electric School Bus Grants**

16.18 \$5,000,000 the first year is for electric school
16.19 bus grants under Minnesota Statutes, section
16.20 216B.1616.

16.21 **Sec. 3. DEPARTMENT OF**
16.22 **ADMINISTRATION**

\$ **90,000 **\$** **92,000****

16.23 \$90,000 the first year and \$92,000 the second
16.24 year are for software and administrative costs
16.25 associated with the state building energy
16.26 conservation improvement revolving loan
16.27 program under Minnesota Statutes, section
16.28 16B.87.

16.29 **Sec. 4. DEPARTMENT OF EMPLOYMENT**
16.30 **AND ECONOMIC DEVELOPMENT**

\$ **5,000,000 **\$** **0****

16.31 \$5,000,000 the first year is for the community
16.32 energy transition grant program under
16.33 Minnesota Statutes, section 116J.55. This

17.1 appropriation is onetime and is available until
17.2 June 30, 2028.

17.3 **ARTICLE 3**

17.4 **STRENGTHEN MINNESOTA HOMES**

17.5 Section 1. **[65A.298] HOMEOWNER'S INSURANCE; FORTIFIED PROGRAM**
17.6 **STANDARDS.**

17.7 Subdivision 1. **Definitions.** (a) For purposes of this section the following term has the
17.8 meaning given.

17.9 (b) "Insurable property" means a residential property designated as meeting the Fortified
17.10 program standards as administered by the Insurance Institute for Business and Home Safety
17.11 (IBHS).

17.12 Subd. 2. **Fortified new property.** (a) An insurer shall provide a premium discount or
17.13 an insurance rate reduction to an owner who builds or locates a new insurable property in
17.14 Minnesota.

17.15 (b) An owner of insurable property claiming a premium discount or rate reduction under
17.16 this subdivision must submit a certificate issued by IBHS showing proof of compliance
17.17 with the Fortified program standards to the insurer prior to receiving the premium discount
17.18 or rate reduction.

17.19 Subd. 3. **Fortified existing property.** (a) An insurer shall provide a premium discount
17.20 or insurance rate reduction to an owner who retrofits an existing property to meet the
17.21 requirements to be an insurable property in Minnesota.

17.22 (b) An owner of insurable property claiming a premium discount or rate reduction under
17.23 this subdivision must submit a certificate issued by IBHS showing proof of compliance
17.24 with the Fortified program standards to the insurer prior to receiving the premium discount
17.25 or rate reduction.

17.26 Subd. 4. **Insurers.** (a) An insurer must submit to the commissioner actuarially justified
17.27 rates and a rating plan for a person who builds or locates a new insurable property in
17.28 Minnesota.

17.29 (b) An insurer must submit to the commissioner actuarially justified rates and a rating
17.30 plan for a person who retrofits an existing property to meet the requirements to be an
17.31 insurable property.

18.1 (c) An insurer may offer, in addition to the premium discount and insurance rate
18.2 reductions required under subdivisions 2 and 3, more generous mitigation adjustments to
18.3 an owner of insurable property.

18.4 (d) Any premium discount, rate reduction, or mitigation adjustment offered by an insurer
18.5 under this section applies only to policies that include wind coverage and may be applied
18.6 only to the portion of the premium for wind coverage, or for the total premium if the insurer
18.7 does not separate the premium for wind coverage in its rate filing.

18.8 **Sec. 2. [65A.299] STRENGTHEN MINNESOTA HOMES PROGRAM.**

18.9 Subdivision 1. **Short title.** This section may be cited as the "Strengthen Minnesota
18.10 Homes Act."

18.11 Subd. 2. **Definitions.** (a) For purposes of this section, the terms in this subdivision have
18.12 the meanings given.

18.13 (b) "Insurable property" has the meaning given in section 65A.298, subdivision 3.

18.14 (c) "Program" means the Strengthen Minnesota Homes program established under this
18.15 section.

18.16 Subd. 3. **Program established; purpose, permitted activities.** The Strengthen Minnesota
18.17 Homes program is established within the Department of Commerce. The purpose of the
18.18 program is to provide grants to retrofit insurable property to resist loss due to common
18.19 perils, including but not limited to tornadoes or other catastrophic windstorm events.

18.20 Subd. 4. **Strengthen Minnesota homes account; appropriation.** (a) A strengthen
18.21 Minnesota homes account is created as a separate account in the special revenue fund of
18.22 the state treasury. The account consists of money provided by law and any other money
18.23 donated, allotted, transferred, or otherwise provided to the account. Earnings, including
18.24 interest, dividends, and any other earnings arising from assets of the account, must be
18.25 credited to the account. Money remaining in the account at the end of a fiscal year does not
18.26 cancel to the general fund and remains in the account until expended. The commissioner
18.27 must manage the account.

18.28 (b) Money in the account is appropriated to the commissioner to pay for (1) grants issued
18.29 under the program, and (2) the reasonable costs incurred by the commissioner to administer
18.30 the program.

18.31 Subd. 5. **Use of grants.** (a) A grant under this section must be used to retrofit an insurable
18.32 property.

19.1 (b) Grant money provided under this section must not be used for maintenance or repairs,
19.2 but may be used in conjunction with repairs or reconstruction necessitated by damage from
19.3 wind or hail.

19.4 (c) A project funded by a grant under this section must be completed within three months
19.5 of the date the grant is approved. Failure to complete the project in a timely manner may
19.6 result in forfeiture of the grant.

19.7 Subd. 6. **Applicant eligibility.** The commissioner must develop (1) administrative
19.8 procedures to implement this section, and (2) criteria used to determine whether an applicant
19.9 is eligible for a grant under this section.

19.10 Subd. 7. **Contractor eligibility; conflicts of interest.** (a) To be eligible to work as a
19.11 contractor on a project funded by a grant under this section, the contractor must meet all of
19.12 the following program requirements and must maintain a current copy of all certificates,
19.13 licenses, and proof of insurance coverage with the program office. The eligible contractor
19.14 must:

19.15 (1) hold a valid residential building contractor and residential remodeler license issued
19.16 by the commissioner of labor and industry;

19.17 (2) not be subject to disciplinary action by the commissioner of labor and industry;

19.18 (3) hold any other valid state or jurisdictional business license or work permits required
19.19 by law;

19.20 (4) possess an in-force general liability policy with \$1,000,000 in liability coverage;

19.21 (5) possess an in-force workers compensation policy with \$1,000,000 in coverage;

19.22 (6) possess a certificate of compliance from the commissioner of revenue;

19.23 (7) successfully complete the Fortified Roof for High Wind and Hail training provided
19.24 by the IBHS and maintain an active certification or IBHS's successor and provide a certificate
19.25 of successful completion. The training may be offered as separate courses;

19.26 (8) agree to the terms and successfully register as a vendor with the commissioner of
19.27 management and budget and receive direct deposit of payment for mitigation work performed
19.28 under the program;

19.29 (9) maintain Internet access and keep a valid email address on file with the program and
19.30 remain active in the commissioner of management and budget's vendor and supplier portal
19.31 while working on the program;

19.32 (10) maintain an active email address for the communication with the program;

20.1 (11) successfully complete the program training; and

20.2 (12) agree to follow program procedures and rules established under this section and by
20.3 the commissioner.

20.4 (b) An eligible contractor must not have a financial interest, other than payment on
20.5 behalf of the homeowner, in any project for which the eligible contractor performs work
20.6 toward a fortified designation under the program. An eligible contractor is prohibited from
20.7 acting as the evaluator for a fortified designation on any project funded by the program. An
20.8 eligible contractor must report to the commissioner regarding any potential conflict of
20.9 interest before work commences on any job funded by the program.

20.10 Subd. 8. Evaluator eligibility; conflicts of interest. (a) To be eligible to work on the
20.11 program as an evaluator, the evaluator must meet all program eligibility requirements and
20.12 must submit to the commissioner and maintain a copy of all current certificates and licenses.
20.13 The evaluator must:

20.14 (1) be in good standing with IBHS and maintain an active certification as a fortified
20.15 home evaluator for hurricane and high wind and hail or a successor certification;

20.16 (2) possess a Minnesota business license and be registered with the secretary of state;
20.17 and

20.18 (3) successfully complete the program training.

20.19 (b) Evaluators must not have a financial interest in any project that the evaluator inspects
20.20 for designation purposes for the program. An evaluator must not be an eligible contractor
20.21 or supplier of any material, product, or system installed in any home that the evaluator
20.22 inspects for designation purposes for the program. An evaluator must not be a sales agent
20.23 for any home being designated for the program. An evaluator must inform the commissioner
20.24 of any potential conflict of interest impacting the evaluator's participation in the program.

20.25 Subd. 9. Grant approval; allocation. (a) The commissioner must review all applications
20.26 for completeness and must perform appropriate audits to verify (1) the accuracy of the
20.27 information on the application, and (2) that the applicant meets all eligibility rules. All
20.28 verified applicants must be placed in the order the application was received. Grants must
20.29 be awarded on a first-come, first-served basis, subject to availability of money for the
20.30 program.

20.31 (b) When a grant is approved, an approval letter must be sent to the applicant.

20.32 (c) An eligible contractor is prohibited from beginning work until a grant is approved.

21.1 (d) In order to assure equitable distribution of grants in proportion to the income
21.2 demographics in counties where the program is made available, grant applications must be
21.3 accepted on a first-come, first-served basis. The commissioner may establish pilot projects
21.4 as needed to establish a sustainable program distribution system in any geographic area
21.5 within Minnesota.

21.6 Subd. 10. **Grant award process; release of grant money.** (a) After a grant application
21.7 is approved, the eligible contractor selected by the homeowner may begin the mitigation
21.8 work.

21.9 (b) Once the mitigation work is completed, the eligible contractor must submit a copy
21.10 of the signed contract to the commissioner, along with an invoice seeking payment and an
21.11 affidavit stating the fortified standards were met by the work.

21.12 (c) The IBHS evaluator must conduct all required evaluations, including a required
21.13 interim inspection during construction and the final inspection, and must confirm that the
21.14 work was completed according to the mitigation specifications.

21.15 (d) Grant money must be released on behalf of an approved applicant only after a fortified
21.16 designation certificate has been issued for the home. The program or another designated
21.17 entity must, on behalf of the homeowner, directly pay the eligible contractor that performed
21.18 the mitigation work. The program or the program's designated entity must pay the eligible
21.19 contractor the costs covered by the grant. The homeowner must pay the eligible contractor
21.20 for the remaining cost after receiving an IBHS fortified certificate.

21.21 (e) The program must confirm that the homeowner's insurer provides the appropriate
21.22 premium credit.

21.23 (f) The program must conduct random reinspections to detect any fraud and must submit
21.24 any irregularities to the attorney general.

21.25 Subd. 11. **Limitations.** (a) This section does not create an entitlement for property
21.26 owners or obligate the state of Minnesota to pay for residential property in Minnesota to be
21.27 inspected or retrofitted. The program under this section is subject to legislative appropriations,
21.28 the receipt of federal grants or money, or the receipt of other sources of grants or money.
21.29 The department may obtain grants or other money from the federal government or other
21.30 funding sources to support and enhance program activities.

21.31 (b) All mitigation under this section is contingent upon securing all required local permits
21.32 and applicable inspections to comply with local building codes and applicable Fortified

22.1 program standards. A mitigation project receiving a grant under this section is subject to
22.2 random reinspection at a later date.

22.3 **ARTICLE 4**

22.4 **ENERGY POLICY**

22.5 Section 1. **[16B.312] CONSTRUCTION MATERIALS; ENVIRONMENTAL**
22.6 **ANALYSIS.**

22.7 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have
22.8 the meanings given.

22.9 (b) "Carbon steel" means steel in which the main alloying element is carbon and whose
22.10 properties are chiefly dependent on the percentage of carbon present.

22.11 (c) "Commissioner" means the commissioner of the Department of Administration.

22.12 (d) "Electric arc furnace" means a furnace that produces molten alloy metal and heats
22.13 the charge materials with electric arcs from carbon electrodes.

22.14 (e) "Eligible material" means:

22.15 (1) carbon steel rebar;

22.16 (2) structural steel;

22.17 (3) concrete; or

22.18 (4) asphalt paving mixtures.

22.19 (f) "Eligible project" means:

22.20 (1) new construction of a state building larger than 50,000 gross square feet of occupied
22.21 or conditioned space;

22.22 (2) renovation of more than 50,000 gross square feet of occupied or conditioned space
22.23 in a state building whose renovation cost exceeds 50 percent of the building's assessed value;

22.24 or

22.25 (3) new construction or reconstruction of two or more lane-miles of a trunk highway.

22.26 (g) "Environmental product declaration" means a supply chain specific type III
22.27 environmental product declaration that:

22.28 (1) contains a material production lifecycle assessment of the environmental impacts of
22.29 manufacturing a specific product by a specific firm, including the impacts of extracting and
22.30 producing the raw materials and components that compose the product;

- 23.1 (2) is verified by a third party; and
- 23.2 (3) meets the ISO 14025 standard developed and maintained by the International
- 23.3 Organization for Standardization (ISO).
- 23.4 (h) "Global warming potential" has the meaning given in section 216H.10, subdivision
- 23.5 6.
- 23.6 (i) "Greenhouse gas" has the meaning given to "statewide greenhouse gas emissions"
- 23.7 in section 216H.01, subdivision 2.
- 23.8 (j) "Integrated steel production" means the production of iron and subsequently steel
- 23.9 primarily from iron ore or iron ore pellets.
- 23.10 (k) "Lifecycle" means an analysis that includes the environmental impacts of all stages
- 23.11 of a specific product's production, from mining and processing its raw materials to the
- 23.12 process of manufacturing the product itself.
- 23.13 (l) "Rebar" means a steel reinforcing bar or rod encased in concrete.
- 23.14 (m) "Secondary steel production" means the production of steel from primarily ferrous
- 23.15 scrap and other metallics inputs melted and refined in an electric arc furnace.
- 23.16 (n) "State building" means a building which is owned by the state of Minnesota or a
- 23.17 Minnesota state agency.
- 23.18 (o) "Structural steel" means steel that is classified by the shapes of its cross-sections,
- 23.19 such as I, T, and C shapes.
- 23.20 (p) "Supply chain specific" means an environmental product declaration that includes
- 23.21 specific data for the production processes of the materials and components composing a
- 23.22 product that contribute at least 80 percent of the product's material production lifecycle
- 23.23 global warming potential, as defined in International Organization for Standardization
- 23.24 standard 21930.
- 23.25 Subd. 2. **Standard; maximum global warming potential.** (a) The commissioner shall,
- 23.26 after reviewing the recommendations from the Environmental Standards Procurement Task
- 23.27 Force made under subdivision 5, paragraph (c), establish and publish a maximum acceptable
- 23.28 global warming potential for each eligible material used in an eligible project, in accordance
- 23.29 with the following schedule:
- 23.30 (1) for concrete used in buildings, no later than January 15, 2026; and

24.1 (2) for carbon steel rebar and structural steel and, after conferring with the commissioner
24.2 of transportation, for asphalt paving mixtures and concrete pavement, no later than January
24.3 15, 2028.

24.4 (b) The commissioner shall, after considering nationally or internationally recognized
24.5 databases of environmental product declarations for an eligible material, establish the
24.6 maximum acceptable global warming potential for that eligible material.

24.7 (c) The commissioner may set different maximum global warming potentials for different
24.8 specific products and subproduct categories that are examples of the same eligible material
24.9 based on distinctions between eligible material production and manufacturing processes
24.10 such as integrated versus secondary steel production.

24.11 (d) The commissioner must establish maximum global warming potentials that are
24.12 consistent with criteria in an environmental product declaration.

24.13 (e) Not later than three years after establishing the maximum global warming potential
24.14 for an eligible material under paragraph (a), and not longer than every three years thereafter,
24.15 the commissioner, after conferring with the commissioner of transportation with respect to
24.16 asphalt paving mixtures and concrete pavement, shall review the maximum acceptable
24.17 global warming potential for each eligible material and for specific eligible material products.
24.18 The commissioner may adjust any of those values downward to reflect industry improvements
24.19 if, based on the process described in paragraph (b), the commissioner determines that the
24.20 industry average has declined.

24.21 Subd. 3. **Procurement process.** The Department of Administration and the Department
24.22 of Transportation shall, after reviewing the recommendations of the Environmental Standards
24.23 Procurement Task Force made under subdivision 5, paragraph (c), establish processes for
24.24 incorporating the maximum allowable global warming potential of eligible materials into
24.25 their bidding processes by the effective dates listed in subdivision 2.

24.26 Subd. 4. **Pilot program.** (a) No later than July 1, 2024, the Department of Administration
24.27 must establish a pilot program that seeks to obtain from vendors an estimate of the material
24.28 production lifecycle greenhouse gas emissions of products selected by the departments from
24.29 among those procured. The pilot program must encourage, but may not require, a vendor
24.30 to submit the following data for each selected product that represents at least 90 percent of
24.31 the total cost of the materials or components composing the selected product:

24.32 (1) the quantity of the product purchased by the department;

24.33 (2) a current environmental product declaration for the product;

- 25.1 (3) the name and location of the product's manufacturer;
25.2 (4) a copy of the vendor's Supplier Code of Conduct, if any;
25.3 (5) the names and locations of the product's actual production facilities; and
25.4 (6) an assessment of employee working conditions at the product's production facilities.

25.5 (b) The Department of Administration must construct or provide access to a publicly
25.6 accessible database which shall be posted on their website and shall contain the data reported
25.7 to the department under this subdivision.

25.8 Subd. 5. **Environmental Standards Procurement Task Force.** (a) No later than October
25.9 1, 2023, the commissioners of administration and transportation must establish an
25.10 Environmental Standards Procurement Task Force to examine issues surrounding the
25.11 implementation of a program requiring vendors of certain construction materials purchased
25.12 by the state to:

25.13 (1) submit environmental product declarations that assess the material production lifecycle
25.14 environmental impacts of those materials to state officials as part of the procurement process;
25.15 and

25.16 (2) meet standards established by the commissioner of administration that limit
25.17 greenhouse gas emissions impacts of those materials.

25.18 (b) The task force must examine, at a minimum, the following:

25.19 (1) which construction materials should be subject to the program requirements, and
25.20 which construction materials should be considered to be added including lumber, aluminum,
25.21 glass, and insulation;

25.22 (2) what factors should be considered in establishing greenhouse gas emissions standards
25.23 including distinctions between eligible material production and manufacturing processes
25.24 such as integrated versus secondary steel production;

25.25 (3) a schedule for the development of standards for specific materials and for
25.26 incorporating the standards into the purchasing process including distinctions between
25.27 eligible material production and manufacturing processes;

25.28 (4) the development and use of financial incentives to reward vendors for developing
25.29 products whose greenhouse gas emissions are below the standards;

25.30 (5) the provision of grants to defer a vendor's cost to obtain environmental product
25.31 declarations;

- 26.1 (6) how to ensure that lowering environmental product declaration values does not
26.2 negatively impact the durability or longevity of construction materials or built structures;
- 26.3 (7) how the issues in clauses (1) to (5) are addressed by existing programs in other states
26.4 and countries;
- 26.5 (8) coordinate with the federal Buy Clean Task Force established under Executive Order
26.6 14057 and representatives of the United States Departments of Commerce, Energy, Housing
26.7 and Urban Development, Transportation, Environmental Protection Agency, General Services
26.8 Administration, White House Office of Management and Budget, and the White House
26.9 Domestic Climate Policy Council; and
- 26.10 (9) any other issues the task force deems relevant.
- 26.11 (c) The task force shall make recommendations to the commissioners of the Department
26.12 of Administration and the Department of Transportation regarding:
- 26.13 (1) how to implement requirements that maximum global warming impacts for eligible
26.14 materials be integrated into the bidding process for eligible projects;
- 26.15 (2) incentive structures that can be included in bidding processes to encourage the use
26.16 of materials whose global warming potential is below the maximum established under
26.17 subdivision 2;
- 26.18 (3) how a successful bidder for a contract will notify the commissioner of the specific
26.19 environmental product declaration for a material used on a project;
- 26.20 (4) a process for waiving the requirements to procure materials below the maximum
26.21 global warming potential resulting from product supply problems, geographic
26.22 impracticability, or financial hardship;
- 26.23 (5) a system for awarding grants to manufacturers of eligible materials located in
26.24 Minnesota to offset the cost of obtaining environmental product declarations or otherwise
26.25 collect environmental product declaration data from manufacturers based in Minnesota;
- 26.26 (6) whether to use an industry average or a different method to set the maximum allowable
26.27 global warming potential, or whether that average could be used for some materials but not
26.28 others;
- 26.29 (7) how to create and manage a database for environmental product declaration data that
26.30 is consistent with data governance procedures of the departments and is compatible for data
26.31 sharing with other states and federal agencies;

- 27.1 (8) how to account for differences among geographical regions with respect to the
27.2 availability of covered materials, fuel and other necessary resources, and the quantity of
27.3 covered materials that the department uses or plans to use; and
- 27.4 (9) any other items it deems necessary in order to implement this section.
- 27.5 (d) Members of the task force must include, but are limited to, representatives of:
- 27.6 (1) the Departments of Administration and Transportation;
- 27.7 (2) the Center for Sustainable Building Research at the University of Minnesota;
- 27.8 (3) the Aggregate and Ready Mix Association of Minnesota;
- 27.9 (4) the Concrete Paving Association of Minnesota;
- 27.10 (5) the Minnesota Asphalt Pavement Association;
- 27.11 (6) the Minnesota Board of Engineering;
- 27.12 (7) a representative of the Minnesota iron mining industry;
- 27.13 (8) building and transportation construction firms;
- 27.14 (9) suppliers of eligible materials;
- 27.15 (10) organized labor in the construction trades;
- 27.16 (11) organized labor in the manufacturing or industrial sectors;
- 27.17 (12) environmental advocacy organizations; and
- 27.18 (13) environmental justice organizations.
- 27.19 (e) The Department of Administration must provide meeting space and serve as staff to
27.20 the task force.
- 27.21 (f) The commissioner of administration, or the commissioner's designee, shall serve as
27.22 chair of the task force. The task force must meet at least four times annually, and may
27.23 convene additional meetings at the call of the chair.
- 27.24 (g) The commissioner of administration shall summarize the findings and
27.25 recommendations of the task force in a report submitted to the chairs and ranking minority
27.26 members of the senate and house of representatives committees with primary responsibility
27.27 for state government, transportation, and energy no later than December 1, 2025, and annually
27.28 thereafter for as long as the task force continues its operations.
- 27.29 (h) The task force is subject to section 15.059, subdivision 6.

28.1 (i) The task force shall expire on January 1, 2029.

28.2 Subd. 6. **Environmental product declarations; grant program.** A grant program is
 28.3 established in the Department of Administration to award grants to manufacturers to assist
 28.4 them in obtaining environmental product declarations or in otherwise collecting
 28.5 environmental product declaration data from manufacturers in Minnesota. The commissioner
 28.6 of administration shall develop procedures for processing grant applications and making
 28.7 grant awards. Grant applicants must submit an application to the commissioner on a form
 28.8 prescribed by the commissioner. The commissioner shall act as fiscal agent for the grant
 28.9 program and shall be responsible for receiving and reviewing grant applications and awarding
 28.10 grants under this subdivision.

28.11 **EFFECTIVE DATE.** This section is effective the day following final enactment.

28.12 Sec. 2. Minnesota Statutes 2022, section 16B.325, subdivision 2, is amended to read:

28.13 Subd. 2. **Lowest possible cost; energy conservation.** The guidelines must:

28.14 (1) focus on achieving the lowest possible lifetime cost, considering both construction
 28.15 and operating costs, for new buildings and major renovations, ~~and~~;

28.16 (2) allow for ~~changes in the guidelines~~ revisions that encourage continual energy
 28.17 conservation improvements in new buildings and major renovations. ~~The guidelines shall;~~

28.18 (3) define "major renovations" for purposes of this section. ~~The definition may not allow~~
 28.19 "major renovations" to encompass not less than 10,000 square feet or to encompass not less
 28.20 than the replacement of the mechanical, ventilation, or cooling system of ~~the~~ a building or
 28.21 a building section ~~of the building~~. ~~The design guidelines must;~~

28.22 (4) establish sustainability guidelines that include air quality and lighting standards and
 28.23 that create and maintain a healthy environment and facilitate productivity improvements;

28.24 (5) establish resiliency guidelines to encourage design that allows buildings to adapt to
 28.25 and accommodate projected climate-related changes that are reflected in both acute events
 28.26 and chronic trends, including but not limited to changes in temperature and precipitation
 28.27 levels;

28.28 (6) specify ways to reduce material costs; and ~~must~~

28.29 (7) consider the long-term operating costs of the building, including the use of renewable
 28.30 energy sources and distributed electric energy generation that uses a renewable source or
 28.31 natural gas or a fuel that is as clean or cleaner than natural gas.

28.32 **EFFECTIVE DATE.** This section is effective the day following final enactment.

29.1 Sec. 3. Minnesota Statutes 2022, section 16B.58, is amended by adding a subdivision to
29.2 read:

29.3 Subd. 9. **Electric vehicle charging.** A person that charges a privately owned electric
29.4 vehicle at a charging station located within the Capitol area, as defined in section 15B.02,
29.5 must pay an electric service fee established by the commissioner.

29.6 **EFFECTIVE DATE.** This section is effective the day following final enactment.

29.7 Sec. 4. Minnesota Statutes 2022, section 16C.135, subdivision 3, is amended to read:

29.8 Subd. 3. **Vehicle purchases.** (a) Consistent with section 16C.137, subdivision 1, when
29.9 purchasing a motor vehicle for the enterprise fleet or for use by an agency, the commissioner
29.10 or the agency shall purchase ~~a motor vehicle that is capable of being powered by cleaner~~
29.11 ~~fuels, or a motor vehicle powered by electricity or by a combination of electricity and liquid~~
29.12 ~~fuel, if the total life-cycle cost of ownership is less than or comparable to that of other~~
29.13 ~~vehicles and if the vehicle is capable~~ the motor vehicle according to the following vehicle
29.14 preference order:

29.15 (1) an electric vehicle;

29.16 (2) a hybrid electric vehicle;

29.17 (3) a vehicle capable of being powered by cleaner fuels; and

29.18 (4) a vehicle powered by gasoline or diesel fuel.

29.19 (b) The commissioner may only reject a vehicle that is higher on the vehicle preference
29.20 order if:

29.21 (1) the vehicle type is incapable of carrying out the purpose for which it is purchased;
29.22 or

29.23 (2) the total life-cycle cost of ownership of a preferred vehicle type is more than ten
29.24 percent higher than the next vehicle type on the vehicle preference order.

29.25 **EFFECTIVE DATE.** This section is effective the day following final enactment.

29.26 Sec. 5. Minnesota Statutes 2022, section 16C.137, subdivision 1, is amended to read:

29.27 Subdivision 1. **Goals and actions.** Each state department must, whenever legally,
29.28 technically, and economically feasible, subject to the specific needs of the department and
29.29 responsible management of agency finances:

30.1 (1) ensure that all new on-road vehicles ~~purchase~~, excluding emergency and law
 30.2 enforcement vehicles, are purchased in conformity with the vehicle preference order
 30.3 established in section 16C.135, subdivision 3;

30.4 ~~(i) use "cleaner fuels" as that term is defined in section 16C.135, subdivision 1;~~

30.5 ~~(ii) have fuel efficiency ratings that exceed 30 miles per gallon for city usage or 35 miles~~
 30.6 ~~per gallon for highway usage, including but not limited to hybrid electric cars and~~
 30.7 ~~hydrogen-powered vehicles; or~~

30.8 ~~(iii) are powered solely by electricity;~~

30.9 (2) increase its use of renewable transportation fuels, including ethanol, biodiesel, and
 30.10 hydrogen from agricultural products; and

30.11 (3) increase its use of web-based Internet applications and other electronic information
 30.12 technologies to enhance the access to and delivery of government information and services
 30.13 to the public, and reduce the reliance on the department's fleet for the delivery of such
 30.14 information and services.

30.15 **EFFECTIVE DATE.** This section is effective the day following final enactment.

30.16 Sec. 6. Minnesota Statutes 2022, section 116C.779, subdivision 1, is amended to read:

30.17 Subdivision 1. **Renewable development account.** (a) The renewable development
 30.18 account is established as a separate account in the special revenue fund in the state treasury.
 30.19 Appropriations and transfers to the account shall be credited to the account. Earnings, such
 30.20 as interest, dividends, and any other earnings arising from assets of the account, shall be
 30.21 credited to the account. Funds remaining in the account at the end of a fiscal year are not
 30.22 canceled to the general fund but remain in the account until expended. The account shall
 30.23 be administered by the commissioner of management and budget as provided under this
 30.24 section.

30.25 (b) On July 1, 2017, the public utility that owns the Prairie Island nuclear generating
 30.26 plant must transfer all funds in the renewable development account previously established
 30.27 under this subdivision and managed by the public utility to the renewable development
 30.28 account established in paragraph (a). Funds awarded to grantees in previous grant cycles
 30.29 that have not yet been expended and unencumbered funds required to be paid in calendar
 30.30 year 2017 under paragraphs (f) and (g), and sections 116C.7792 and 216C.41, are not subject
 30.31 to transfer under this paragraph.

31.1 (c) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing
31.2 each January 15 thereafter, the public utility that owns the Prairie Island nuclear generating
31.3 plant must transfer to the renewable development account \$500,000 each year for each dry
31.4 cask containing spent fuel that is located at the Prairie Island power plant for each year the
31.5 plant is in operation, and \$7,500,000 each year the plant is not in operation if ordered by
31.6 the commission pursuant to paragraph (i). The fund transfer must be made if nuclear waste
31.7 is stored in a dry cask at the independent spent-fuel storage facility at Prairie Island for any
31.8 part of a year.

31.9 (d) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing
31.10 each January 15 thereafter, the public utility that owns the Monticello nuclear generating
31.11 plant must transfer to the renewable development account \$350,000 each year for each dry
31.12 cask containing spent fuel that is located at the Monticello nuclear power plant for each
31.13 year the plant is in operation, and \$5,250,000 each year the plant is not in operation if ordered
31.14 by the commission pursuant to paragraph (i). The fund transfer must be made if nuclear
31.15 waste is stored in a dry cask at the independent spent-fuel storage facility at Monticello for
31.16 any part of a year.

31.17 (e) Each year, the public utility shall withhold from the funds transferred to the renewable
31.18 development account under paragraphs (c) and (d) the amount necessary to pay its obligations
31.19 under paragraphs (f) and (g), and sections 116C.7792 and 216C.41, for that calendar year.

31.20 (f) If the commission approves a new or amended power purchase agreement, the
31.21 termination of a power purchase agreement, or the purchase and closure of a facility under
31.22 section 216B.2424, subdivision 9, with an entity that uses poultry litter to generate electricity,
31.23 the public utility subject to this section shall enter into a contract with the city in which the
31.24 poultry litter plant is located to provide grants to the city for the purposes of economic
31.25 development on the following schedule: \$4,000,000 in fiscal year 2018; \$6,500,000 each
31.26 fiscal year in 2019 and 2020; and \$3,000,000 in fiscal year 2021. The grants shall be paid
31.27 by the public utility from funds withheld from the transfer to the renewable development
31.28 account, as provided in paragraphs (b) and (e).

31.29 (g) If the commission approves a new or amended power purchase agreement, or the
31.30 termination of a power purchase agreement under section 216B.2424, subdivision 9, with
31.31 an entity owned or controlled, directly or indirectly, by two municipal utilities located north
31.32 of Constitutional Route No. 8, that was previously used to meet the biomass mandate in
31.33 section 216B.2424, the public utility that owns a nuclear generating plant shall enter into a
31.34 grant contract with such entity to provide \$6,800,000 per year for five years, commencing
31.35 30 days after the commission approves the new or amended power purchase agreement, or

32.1 the termination of the power purchase agreement, and on each June 1 thereafter through
32.2 2021, to assist the transition required by the new, amended, or terminated power purchase
32.3 agreement. The grant shall be paid by the public utility from funds withheld from the transfer
32.4 to the renewable development account as provided in paragraphs (b) and (e).

32.5 (h) The collective amount paid under the grant contracts awarded under paragraphs (f)
32.6 and (g) is limited to the amount deposited into the renewable development account, and its
32.7 predecessor, the renewable development account, established under this section, that was
32.8 not required to be deposited into the account under Laws 1994, chapter 641, article 1, section
32.9 10.

32.10 (i) After discontinuation of operation of the Prairie Island nuclear plant or the Monticello
32.11 nuclear plant and each year spent nuclear fuel is stored in dry cask at the discontinued
32.12 facility, the commission shall require the public utility to pay \$7,500,000 for the discontinued
32.13 Prairie Island facility and \$5,250,000 for the discontinued Monticello facility for any year
32.14 in which the commission finds, by the preponderance of the evidence, that the public utility
32.15 did not make a good faith effort to remove the spent nuclear fuel stored at the facility to a
32.16 permanent or interim storage site out of the state. This determination shall be made at least
32.17 every two years.

32.18 (j) Funds in the account may be expended only for any of the following purposes:

32.19 (1) to stimulate research and development of renewable electric energy technologies;

32.20 (2) to encourage grid modernization, including, but not limited to, projects that implement
32.21 electricity storage, load control, and smart meter technology; and

32.22 (3) to stimulate other innovative energy projects that reduce demand and increase system
32.23 efficiency and flexibility.

32.24 Expenditures from the fund must benefit Minnesota ratepayers receiving electric service
32.25 from the utility that owns a nuclear-powered electric generating plant in this state or the
32.26 Prairie Island Indian community or its members.

32.27 The utility that owns a nuclear generating plant is eligible to apply for grants under this
32.28 subdivision.

32.29 (k) For the purposes of paragraph (j), the following terms have the meanings given:

32.30 (1) "renewable" has the meaning given in section 216B.2422, subdivision 1, paragraph
32.31 (c), clauses (1), (2), (4), and (5); and

32.32 (2) "grid modernization" means:

- 33.1 (i) enhancing the reliability of the electrical grid;
- 33.2 (ii) improving the security of the electrical grid against cyberthreats and physical threats;
- 33.3 and
- 33.4 (iii) increasing energy conservation opportunities by facilitating communication between
- 33.5 the utility and its customers through the use of two-way meters, control technologies, energy
- 33.6 storage and microgrids, technologies to enable demand response, and other innovative
- 33.7 technologies.
- 33.8 (l) A renewable development account advisory group that includes, among others,
- 33.9 representatives of the public utility and its ratepayers, and includes at least one representative
- 33.10 of the Prairie Island Indian community appointed by that community's tribal council, shall
- 33.11 develop recommendations on account expenditures. The advisory group must design a
- 33.12 request for proposal and evaluate projects submitted in response to a request for proposals.
- 33.13 The advisory group must utilize an independent third-party expert to evaluate proposals
- 33.14 submitted in response to a request for proposal, including all proposals made by the public
- 33.15 utility. A request for proposal for research and development under paragraph (j), clause (1),
- 33.16 may be limited to or include a request to higher education institutions located in Minnesota
- 33.17 for multiple projects authorized under paragraph (j), clause (1). The request for multiple
- 33.18 projects may include a provision that exempts the projects from the third-party expert review
- 33.19 and instead provides for project evaluation and selection by a merit peer review grant system.
- 33.20 In the process of determining request for proposal scope and subject and in evaluating
- 33.21 responses to request for proposals, the advisory group must strongly consider, where
- 33.22 reasonable, potential benefit to Minnesota citizens and businesses and the utility's ratepayers.
- 33.23 (m) The advisory group shall submit funding recommendations to the public utility,
- 33.24 which has full and sole authority to determine which expenditures shall be submitted by
- 33.25 the advisory group to the legislature. The commission may approve proposed expenditures,
- 33.26 may disapprove proposed expenditures that it finds not to be in compliance with this
- 33.27 subdivision or otherwise not in the public interest, and may, if agreed to by the public utility,
- 33.28 modify proposed expenditures. The commission shall, by order, submit its funding
- 33.29 recommendations to the legislature as provided under paragraph (n).
- 33.30 (n) The commission shall present its recommended appropriations from the account to
- 33.31 the senate and house of representatives committees with jurisdiction over energy policy and
- 33.32 finance annually by February 15. Expenditures from the account must be appropriated by
- 33.33 law. In enacting appropriations from the account, the legislature:

34.1 (1) may approve or disapprove, but may not modify, the amount of an appropriation for
34.2 a project recommended by the commission; and

34.3 (2) may not appropriate money for a project the commission has not recommended
34.4 funding.

34.5 (o) A request for proposal for renewable energy generation projects must, when feasible
34.6 and reasonable, give preference to projects that are most cost-effective for a particular energy
34.7 source.

34.8 (p) The advisory group must annually, by February 15, report to the chairs and ranking
34.9 minority members of the legislative committees with jurisdiction over energy policy on
34.10 projects funded by the account for the prior year and all previous years. The report must,
34.11 to the extent possible and reasonable, itemize the actual and projected financial benefit to
34.12 the public utility's ratepayers of each project.

34.13 (q) By February 1, 2018, and each February 1 thereafter, the commissioner of
34.14 management and budget shall submit a written report regarding the availability of funds in
34.15 and obligations of the account to the chairs and ranking minority members of the senate
34.16 and house committees with jurisdiction over energy policy and finance, the public utility,
34.17 and the advisory group.

34.18 (r) A project receiving funds from the account must produce a written final report that
34.19 includes sufficient detail for technical readers and a clearly written summary for nontechnical
34.20 readers. The report must include an evaluation of the project's financial, environmental, and
34.21 other benefits to the state and the public utility's ratepayers.

34.22 (s) Final reports, any mid-project status reports, and renewable development account
34.23 financial reports must be posted online on a public website designated by the commissioner
34.24 of commerce.

34.25 (t) All final reports must acknowledge that the project was made possible in whole or
34.26 part by the Minnesota renewable development account, noting that the account is financed
34.27 by the public utility's ratepayers.

34.28 (u) Of the amount in the renewable development account, priority must be given to
34.29 making the payments required under section 216C.417.

34.30 (v) Construction projects receiving funds from this account are subject to the requirement
34.31 of paying the prevailing wage rate as defined in section 177.42 and the requirements and
34.32 enforcement provisions in sections 177.27, 177.30, 177.32, 177.41 to 177.435, and 177.45.

35.1 **EFFECTIVE DATE.** This section is effective the day following final enactment and
35.2 applies to construction contracts entered into on or after that date.

35.3 Sec. 7. Minnesota Statutes 2022, section 116C.7792, is amended to read:

35.4 **116C.7792 SOLAR ENERGY PRODUCTION INCENTIVE PROGRAM.**

35.5 (a) The utility subject to section 116C.779 shall operate a program to provide solar
35.6 energy production incentives for solar energy systems of no more than a total aggregate
35.7 nameplate capacity of 40 kilowatts alternating current per premise. The owner of a solar
35.8 energy system installed before June 1, 2018, is eligible to receive a production incentive
35.9 under this section for any additional solar energy systems constructed at the same customer
35.10 location, provided that the aggregate capacity of all systems at the customer location does
35.11 not exceed 40 kilowatts.

35.12 (b) The program is funded by money withheld from transfer to the renewable development
35.13 account under section 116C.779, subdivision 1, paragraphs (b) and (e). Program funds must
35.14 be placed in a separate account for the purpose of the solar energy production incentive
35.15 program operated by the utility and not for any other program or purpose.

35.16 (c) Funds allocated to the solar energy production incentive program in 2019 and 2020
35.17 remain available to the solar energy production incentive program.

35.18 (d) The following amounts are allocated to the solar energy production incentive program:

35.19 (1) \$10,000,000 in 2021;

35.20 (2) \$10,000,000 in 2022;

35.21 (3) ~~\$5,000,000~~ \$10,000,000 in 2023; and

35.22 (4) ~~\$5,000,000~~ \$15,000,000 in 2024.

35.23 (e) Of the amounts allocated under paragraph (d), clauses (3) and (4), half in each year
35.24 must be reserved for solar energy systems owned and constructed by persons with limited
35.25 financial resources.

35.26 ~~(e)~~ (f) Funds allocated to the solar energy production incentive program that have not
35.27 been committed to a specific project at the end of a program year remain available to the
35.28 solar energy production incentive program.

35.29 ~~(f)~~ (g) Any unspent amount remaining on January 1, ~~2025~~ 2028, must be transferred to
35.30 the renewable development account.

36.1 ~~(g)~~ (h) A solar energy system receiving a production incentive under this section must
36.2 be sized to less than 120 percent of the customer's on-site annual energy consumption when
36.3 combined with other distributed generation resources and subscriptions provided under
36.4 section 216B.1641 associated with the premise. The production incentive must be paid for
36.5 ten years commencing with the commissioning of the system.

36.6 ~~(h)~~ (i) The utility must file a plan to operate the program with the commissioner of
36.7 commerce. The utility may not operate the program until it is approved by the commissioner.
36.8 A change to the program to include projects up to a nameplate capacity of 40 kilowatts or
36.9 less does not require the utility to file a plan with the commissioner. Any plan approved by
36.10 the commissioner of commerce must not provide an increased incentive scale over prior
36.11 years unless the commissioner demonstrates that changes in the market for solar energy
36.12 facilities require an increase.

36.13 **EFFECTIVE DATE.** This section is effective the day following final enactment.

36.14 **Sec. 8. [116C.7793] SOLAR ENERGY; CONTINGENCY ACCOUNT.**

36.15 **Subdivision 1. Definitions.** (a) For the purposes of this section, the following terms have
36.16 the meanings given.

36.17 (b) "Agency" means the Minnesota Pollution Control Agency.

36.18 (c) "Commissioner" means the commissioner of commerce.

36.19 (d) "Area C" means the site located west of Mississippi River Boulevard in St. Paul that
36.20 served as an industrial waste dump for the former Ford Twin Cities Assembly Plant.

36.21 (e) "Corrective action determination" means a decision by the agency regarding actions
36.22 to be taken to remediate contaminated soil and groundwater at Area C.

36.23 (f) "Owner" means the owner of the solar energy generating system planned to be
36.24 deployed at Area C.

36.25 (g) "Solar energy generating system" has the meaning given in section 216E.01,
36.26 subdivision 9a.

36.27 **Subd. 2. Account established.** (a) The Area C contingency account is established as a
36.28 separate account in the special revenue fund in the state treasury. Transfers and appropriations
36.29 to the account, and any earnings or dividends accruing to assets in the account, must be
36.30 credited to the account. The commissioner shall serve as fiscal agent and shall manage the
36.31 account.

37.1 (b) Money in the account is appropriated to the commissioner to make payments to an
37.2 owner under this section.

37.3 Subd. 3. **Distribution of funds; conditions.** Money from the account may be distributed
37.4 by the commissioner to the owner of a solar energy generating system planned to be deployed
37.5 on Area C under the following conditions:

37.6 (1) the agency issues a corrective action determination after the owner has begun to
37.7 design or construct the project, and the nature of the corrective action determination requires
37.8 the project to be redesigned or construction to be interrupted or altered; or

37.9 (2) the agency issues a corrective action determination whose work plan requires
37.10 temporary cessation or partial or complete removal of the solar energy generating system
37.11 after it has become operational.

37.12 Subd. 4. **Distribution of funds; process.** (a) The owner may file a request for distribution
37.13 of funds from the commissioner if either of the conditions in subdivision 3 occur. The filing
37.14 must describe the nature of the impact of the agency's work plan that results in economic
37.15 losses to the owner, and a reasonable estimate of the amount of those losses.

37.16 (b) The owner must provide the commissioner with information the commissioner
37.17 determines to be necessary to assist in the review of the filing required under this subdivision.

37.18 (c) The commissioner shall review the owner's filing within 60 days of submission and
37.19 shall approve a request the commissioner determines to be reasonable.

37.20 Subd. 5. **Expenditures.** Money distributed by the commissioner to the owner under this
37.21 section may be used by the owner only to pay for:

37.22 (1) removal, storage, and transportation costs incurred for removal of the solar energy
37.23 generating system or any associated infrastructure, and any costs to reinstall equipment;

37.24 (2) costs of redesign or new equipment or infrastructure made necessary by the activities
37.25 of the agency's work plan;

37.26 (3) lost revenues resulting from the inability of the solar energy generating system to
37.27 generate sufficient electricity to fulfill the terms of the power purchase agreement between
37.28 the owner and the purchaser of electricity generated by the solar energy generating system;

37.29 (4) other damages incurred under the power purchase agreement resulting from the
37.30 cessation of operations made necessary by the activities of the agency's work plan; and

37.31 (5) the cost of energy required to replace the energy that was to be generated by the solar
37.32 energy generating system and purchased under the power purchase agreement.

38.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.

38.2 Sec. 9. **[123B.661] AIR VENTILATION PROGRAM ACT.**

38.3 Sections 123B.661 to 123B.663 may be cited as the "Air Ventilation Program Act."

38.4 Sec. 10. **[123B.662] DEFINITIONS.**

38.5 Subdivision 1. **General.** For purposes of sections 123B.661 to 123B.665, the terms in
38.6 this section have the meanings given unless the language or context clearly shows that a
38.7 different meaning is intended.

38.8 Subd. 2. **ANSI.** "ANSI" means American National Standards Institute.

38.9 Subd. 3. **ASHRAE.** "ASHRAE" means American Society of Heating Refrigeration Air
38.10 Conditioning Engineers.

38.11 Subd. 4. **Certified TAB technician.** "Certified TAB technician" means a technician
38.12 certified to perform testing, adjusting, and balancing of HVAC systems by the Associated
38.13 Air Balance Council, National Environmental Balancing Bureau, or the Testing, Adjusting
38.14 and Balancing Bureau.

38.15 Subd. 5. **HVAC.** "HVAC" means heating, ventilation, and air conditioning.

38.16 Subd. 6. **Licensed professional engineer.** "Licensed professional engineer" means a
38.17 professional engineer licensed under sections 326.02 to 326.15 who holds an active license,
38.18 is in good standing, and is not subject to any disciplinary or other actions with the Board
38.19 of Architecture, Engineering, Land Surveying, Landscape Architecture, Geoscience, and
38.20 Interior Design.

38.21 Subd. 7. **MERV.** "MERV" means minimum efficiency reporting value as established
38.22 by ASHRAE Standard 52.2-2017 - Method of Testing General Ventilation Air-Cleaning
38.23 Devices for Removal Efficiency by Particle Size.

38.24 Subd. 8. **Program.** "Program" means the air ventilation program.

38.25 Subd. 9. **Program administrator.** "Program administrator" means the commissioner
38.26 of commerce or the commissioner's representative.

38.27 Subd. 10. **Qualified adjusting personnel.** "Qualified adjusting personnel" means one
38.28 of the following:

38.29 (1) a certified TAB technician; or

38.30 (2) a skilled and trained workforce under the supervision of a certified TAB technician.

39.1 Subd. 11. **Qualified testing personnel.** "Qualified testing personnel" means one of the
39.2 following:

39.3 (1) a certified TAB technician; or

39.4 (2) a skilled and trained workforce under the supervision of a certified TAB technician.

39.5 Subd. 12. **Registered apprenticeship program.** "Registered apprenticeship program"
39.6 means an apprenticeship program that is registered under chapter 178 or Code of Federal
39.7 Regulations, title 29, part 29.

39.8 Subd. 13. **Skilled and trained workforce.** "Skilled and trained workforce" means a
39.9 workforce where at least 80 percent of the construction workers are either graduates of a
39.10 registered apprenticeship program for the applicable occupation or are registered as
39.11 apprentices in a registered apprenticeship program for the applicable occupation.

39.12 Subd. 14. **TAB.** "TAB" means testing, adjusting, and balancing of an HVAC system.

39.13 **EFFECTIVE DATE.** This section is effective the day following final enactment.

39.14 Sec. 11. **[123B.663] AIR VENTILATION PILOT PROGRAM GRANTS AND**
39.15 **GUIDELINES.**

39.16 Subdivision 1. **Grant program.** The Department of Commerce shall establish and
39.17 administer the air ventilation program to award grants to school boards to reimburse for the
39.18 following activities:

39.19 (1) completion of a heating, ventilation, and air conditioning assessment report;

39.20 (2) subsequent testing, adjusting balancing work performed as a result of assessment;

39.21 and

39.22 (3) ventilation equipment upgrades, replacements, or other measures recommended by
39.23 the assessment to improve health, safety, and HVAC system efficiency.

39.24 Subd. 2. **Grant awards.** (a) The program administrator shall award a grant if the school
39.25 board meets the following requirements:

39.26 (1) complete a heating, ventilation, and air conditioning assessment report by a qualified
39.27 testing personnel or qualified adjusting personnel. The report must be verified by a licensed
39.28 professional engineer and include costs of adjustments or repairs necessary to meet minimum
39.29 ventilation and filtration requirements and determine whether any cost-effective energy
39.30 efficiency upgrades or replacements are warranted or recommended;

40.1 (2) all work required after conducting the assessment must be performed by a skilled
40.2 and trained workforce;

40.3 (3) upon completion of the work for which a school board is seeking reimbursement,
40.4 the school board must conduct an HVAC verification report that includes the name and
40.5 address of the school facility and individual or contractor preparing and certifying the report
40.6 and a description of the assessment, maintenance, adjustment, repair, upgrade, and
40.7 replacement activities and outcomes; and

40.8 (4) verification that the school board has complied with all requirements. Verification
40.9 must include documentation that either MERV 13 filters have been installed or verification
40.10 that the maximum MERV-rated filter that the system is able to effectively handle has been
40.11 installed; documentation of the MERV rating; the verified ventilation rates for occupied
40.12 areas of the school and whether those rates meet the requirements set forth in ANSI/ASHRAE
40.13 Standard 62.1-2019, with an accompanying explanation for any ventilation rates that do not
40.14 meet applicable requirements documenting why the current system is unable to meet
40.15 requirements; the verified exhaust for occupied areas and whether those rates meet the
40.16 requirements set forth in the system design intent; documentation of system deficiencies;
40.17 recommendations for additional maintenance, replacement, or upgrades to improve energy
40.18 efficiency, safety, or performance; documentation of initial operating verifications,
40.19 adjustments, and final operating verifications; documentation of any adjustments or repairs
40.20 performed; verification of installation of carbon dioxide monitors, including the make and
40.21 model of monitors; and verification that all work has been performed by qualified personnel,
40.22 including the contractor's name, certified TAB technician name and certification number,
40.23 and verification that all construction work has been performed by a skilled and trained
40.24 workforce.

40.25 (b) Grants shall be prioritized to give direct support to schools and school children in
40.26 communities with high rates of poverty as determined by receipt of federal Title I funding.

40.27 (c) Grants shall be awarded to reimburse schools for 50 percent of costs incurred for
40.28 work performed under paragraph (a), clauses (1) to (3), with a maximum grant award of
40.29 \$50,000.

40.30 (d) The school board shall maintain a copy of the HVAC verification report and make
40.31 it available to students, parents, school personnel, and to any member of the public or the
40.32 program administrator upon request.

40.33 Subd. 3. **Program guidelines and rules.** (a) The program administrator shall:

40.34 (1) adopt guidelines for the air ventilation program no later than March 1, 2024;

41.1 (2) establish the timing of grant funding; and

41.2 (3) ensure the air ventilation program is operating and may receive applications for
41.3 grants no later than November 1, 2023, and begin to approve applications no later than
41.4 January 1, 2024, subject to the availability of funds.

41.5 (b) The technical and reporting requirements of the air ventilation program may be
41.6 amended by the program administrator as necessary to reflect current COVID-19 guidance
41.7 or other applicable guidance, to achieve the intent of the air ventilation program, and to
41.8 ensure consistency with other related requirements and codes.

41.9 (c) The program administrator may use no more than five percent of the program funds
41.10 for administering the program, including providing technical support to program participants.

41.11 (d) The program administrator may establish rules for the air ventilation program.

41.12 Sec. 12. Minnesota Statutes 2022, section 168.27, is amended by adding a subdivision to
41.13 read:

41.14 Subd. 2a. **Dealer training; electric vehicles.** (a) A new motor vehicle dealer licensed
41.15 under this chapter that operates under an agreement or franchise from a manufacturer and
41.16 sells electric vehicles must maintain at least one employee who is certified as having
41.17 completed a training course offered by a Minnesota motor vehicle dealership association
41.18 that addresses at least the following elements:

41.19 (1) fundamentals of electric vehicles;

41.20 (2) electric vehicle charging options and costs;

41.21 (3) publicly available electric vehicle incentives;

41.22 (4) projected maintenance and fueling costs for electric vehicles;

41.23 (5) reduced tailpipe emissions, including greenhouse gas emissions, produced by electric
41.24 vehicles;

41.25 (6) the impacts of Minnesota's cold climate on electric vehicle operation; and

41.26 (7) best practices to sell electric vehicles.

41.27 (b) For the purposes of this section, "electric vehicle" has the meaning given in section
41.28 169.011, subdivision 26a, paragraphs (a) and (b), clause (3).

41.29 **EFFECTIVE DATE.** This section is effective January 1, 2024.

42.1 **Sec. 13. [216B.1615] ELECTRIC VEHICLE DEPLOYMENT PROGRAM.**

42.2 **Subdivision 1. Definitions.** (a) For the purposes of this section, the following terms have
42.3 the meanings given.

42.4 (b) "Battery exchange station" means a physical location deploying equipment that
42.5 enables a used electric vehicle battery to be removed and exchanged for a fresh electric
42.6 vehicle battery.

42.7 (c) "Electric vehicle" means any device or contrivance that transports persons or property
42.8 and is capable of being powered by an electric motor drawing current from rechargeable
42.9 storage batteries, fuel cells, or other portable sources of electricity. Electric vehicle includes
42.10 but is not limited to:

42.11 (1) an electric vehicle, as defined in section 169.011, subdivision 26a;

42.12 (2) an electric-assisted bicycle, as defined in section 169.011, subdivision 27;

42.13 (3) an off-road vehicle, as defined in section 84.797, subdivision 7;

42.14 (4) a motorboat, as defined in section 86B.005, subdivision 9; or

42.15 (5) an aircraft, as defined in section 360.013, subdivision 37.

42.16 (d) "Electric vehicle charging station" means a physical location deploying equipment
42.17 that:

42.18 (1) transfers electricity to an electric vehicle battery;

42.19 (2) dispenses hydrogen into an electric vehicle powered by a fuel cell;

42.20 (3) exchanges electric vehicle batteries; or

42.21 (4) provides other equipment used to charge or fuel electric vehicles.

42.22 (e) "Electric vehicle infrastructure" means electric vehicle charging stations and any
42.23 associated machinery, equipment, and infrastructure necessary for a public utility to supply
42.24 electricity or hydrogen to an electric vehicle charging station and to support electric vehicle
42.25 operation.

42.26 (f) "Fuel cell" means a cell that converts the chemical energy of hydrogen directly into
42.27 electricity through electrochemical reactions.

42.28 (g) "Government entity" means the state, a state agency, or a political subdivision, as
42.29 defined in section 13.02, subdivision 11.

42.30 (h) "Public utility" has the meaning given in section 216B.02, subdivision 4.

43.1 Subd. 2. **Transportation electrification plan; contents.** (a) By November 1, 2023, and
43.2 periodically as ordered by the commission, a public utility must file a transportation
43.3 electrification plan with the commission that is designed to:

43.4 (1) maximize the overall benefits of electric vehicles and other electrified transportation
43.5 while minimizing overall costs; and

43.6 (2) promote the:

43.7 (i) purchase of electric vehicles by the public utility's customers; and

43.8 (ii) deployment of electric vehicle infrastructure in the public utility's service territory.

43.9 (b) A transportation electrification plan may include but is not limited to the following
43.10 elements:

43.11 (1) programs to educate and increase the awareness and benefits of electric vehicles and
43.12 electric vehicle charging equipment among individuals, electric vehicle dealers, single-family
43.13 and multifamily housing developers and property management companies, building owners
43.14 and tenants, vehicle service stations, vehicle fleet owners and managers, and other potential
43.15 users of electric vehicles;

43.16 (2) utility investments to support transportation electrification across all customer classes,
43.17 including but not limited to investments to facilitate:

43.18 (i) the deployment of electric vehicles for personal and commercial use; customer-owned,
43.19 third-party-owned, and utility-owned electric vehicle charging stations; electric vehicle
43.20 infrastructure to support light-duty, medium-duty, and heavy-duty vehicle electrification;
43.21 and other electric utility infrastructure needed to support transportation electrification;

43.22 (ii) widespread access to publicly available electric vehicle charging stations; and

43.23 (iii) the electrification of public transit and vehicle fleets owned or operated by a
43.24 government entity;

43.25 (3) research and demonstration projects to increase access to electricity as a transportation
43.26 fuel, minimize the system costs of electric transportation, and inform future transportation
43.27 electrification plans;

43.28 (4) rate structures or programs that encourage electric vehicle charging that optimizes
43.29 electric grid operation, including time-varying rates and charging optimization programs;

43.30 (5) programs to increase access to the benefits of electricity as a transportation fuel for
43.31 low- or moderate-income customers and communities and in neighborhoods most affected
43.32 by transportation-related air emissions;

44.1 (6) proposals to expedite commission consideration of program adjustments requested
44.2 during the term of an approved transportation electrification plan; and

44.3 (7) proposals to share information and results from transportation electrification projects
44.4 with stakeholders to promote effective electrification in all areas of the state.

44.5 **Subd. 3. Transportation electrification plan; review and implementation.** The
44.6 commission may approve, modify, or reject a transportation electrification plan. When
44.7 reviewing a transportation electrification plan, the commission must consider whether the
44.8 programs, investments, and expenditures as a whole are reasonable and in the public interest,
44.9 and are reasonably expected to:

44.10 (1) improve the operation of the electric grid;

44.11 (2) increase access to the use of electricity as a transportation fuel for all customers,
44.12 including those in low- or moderate-income communities, rural communities, and
44.13 communities most affected by emissions from the transportation sector;

44.14 (3) increase access to publicly available electric vehicle charging and destination charging
44.15 for all types of electric vehicles;

44.16 (4) support the electrification of medium-duty and heavy-duty vehicles and associated
44.17 charging infrastructure;

44.18 (5) reduce statewide greenhouse gas emissions, as defined in section 216H.01, and
44.19 emissions of other air pollutants that impair the environment and public health;

44.20 (6) stimulate non-utility investment and the creation of skilled jobs;

44.21 (7) maximize the overall benefits of electric vehicles and other electrified transportation
44.22 investments while minimizing overall costs;

44.23 (8) educate the public about the benefits of electric vehicles and related infrastructure;

44.24 (9) be transparent and incorporate reasonable public reporting of program activities,
44.25 consistent with existing technology and data capabilities, to inform program design and
44.26 commission policy with respect to electric vehicles;

44.27 (10) reasonably balance the benefits of ratepayer funded investments in transportation
44.28 electrification against impacts on utility rates; and

44.29 (11) appropriately balance the participation of public utilities and private enterprise in
44.30 the market for transportation electrification and related services.

45.1 Subd. 4. Cost recovery. (a) Notwithstanding any other provision of this chapter, the
45.2 commission may approve, with respect to any prudent and reasonable investments made or
45.3 expenses incurred by a public utility to administer and implement a transportation
45.4 electrification plan approved under subdivision 3:

45.5 (1) performance-based incentives or penalties;

45.6 (2) placing the capital investment in the public utility's rate base and allowing the public
45.7 utility to earn a rate of return on the investment at:

45.8 (i) the public utility's average weighted cost of capital, including the rate of return on
45.9 equity, approved by the commission in the public utility's most recent general rate case; or

45.10 (ii) another rate determined by the commission; or

45.11 (3) any other recovery mechanism that the commission determines is fair, reasonable,
45.12 and supports the objectives of this section.

45.13 (b) Notwithstanding section 216B.16, subdivision 8, paragraph (a), clause (3), the
45.14 commission must approve recovery costs for expenses reasonably incurred by a public
45.15 utility to provide public advertisement as part of a transportation electrification plan approved
45.16 by the commission under subdivision 3.

45.17 **EFFECTIVE DATE.** This section is effective the day following final enactment.

45.18 Sec. 14. **[216B.1616] ELECTRIC SCHOOL BUS DEPLOYMENT PROGRAM.**

45.19 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
45.20 the meanings given.

45.21 (b) "Battery exchange station" means a physical location deploying equipment that
45.22 enables a used electric vehicle battery to be removed and exchanged for a fresh electric
45.23 vehicle battery.

45.24 (c) "Electric school bus" means a passenger motor vehicle primarily used to transport
45.25 preprimary, primary, and secondary students designed to carry a driver and more than ten
45.26 passengers, whose primary propulsion and accessory power technologies produce zero
45.27 carbon emissions in its day-to-day operations.

45.28 (d) "Electric utility" has the meaning given in section 216B.1691, subdivision 1, paragraph
45.29 (d).

45.30 (e) "Electric vehicle" has the meaning given in section 169.011, subdivision 26a.

46.1 (f) "Electric vehicle charging station" means a physical location deploying equipment
46.2 that provides electricity to charge a battery in an electric vehicle.

46.3 (g) "Electric vehicle infrastructure" means electric vehicle charging stations and any
46.4 associated electric panels, machinery, equipment, and infrastructure necessary for an electric
46.5 utility to supply electricity or hydrogen to an electric vehicle charging station and to support
46.6 electric vehicle operation.

46.7 (h) "Electric vehicle service provider" means an organization that installs, maintains, or
46.8 otherwise services a battery exchange station, electric vehicle infrastructure, or electric
46.9 vehicle charging stations.

46.10 (i) "Poor air quality" means:

46.11 (1) ambient air levels that air monitoring data reveals approach or exceed state or federal
46.12 air quality standards or chronic health inhalation risk benchmarks for total suspended
46.13 particulates, particulate matter less than ten microns wide (PM-10), particulate matter less
46.14 than 2.5 microns wide (PM-2.5), sulfur dioxide, or nitrogen dioxide; or

46.15 (2) levels of asthma among children that significantly exceed the statewide average.

46.16 (j) "Prioritized school district" means:

46.17 (1) a school district listed in the Small Area Income and Poverty Estimates (SAIPE)
46.18 School District Estimates as having 7.5 percent or more students living in poverty based on
46.19 the most recent decennial U.S. census;

46.20 (2) a school district identified with locale codes "43-Rural: Remote" and "42-Rural:
46.21 Distant" by the National Center for Education Statistics (NCES); or

46.22 (3) a Bureau of Indian Affairs funded school district and school districts that receive
46.23 basic support payments under United States Code, title 20, section 7703(b)(1), for children
46.24 who reside on Indian land.

46.25 (k) "Public utility" has the meaning given in section 216B.02, subdivision 4.

46.26 (l) "School" means a school that operates as part of an independent or special school
46.27 district.

46.28 (m) "School bus" has the meaning given in section 169.011, subdivision 71.

46.29 (n) "School district" means an independent or special school district.

47.1 (o) "Transportation service provider" means a transportation service provider that provides
47.2 student transportation services that has a contract to provide transportation services to a
47.3 school.

47.4 Subd. 2. **Establishment; purpose.** An electric school bus deployment program is
47.5 established in the Department of Commerce. The purpose of the program is to provide grants
47.6 to accelerate the deployment of electric school buses by school districts and to encourage
47.7 schools to use vehicle electrification as a teaching tool that can be integrated into the school's
47.8 curriculum.

47.9 Subd. 3. **Establishment of account.** An electric school bus program account is established
47.10 in the special revenue fund. The account consists of money received provided by law,
47.11 donated, allotted, transferred, or otherwise provided to the account. Earnings including
47.12 interest, dividends, and any other earnings arising from assets of the account must be credited
47.13 to the account. Except as otherwise provided in this paragraph, money deposited in the
47.14 account remains in the account until expended. Any money that remains in the account on
47.15 June 30, 2033, cancels to the general fund.

47.16 Subd. 4. **Expenditures.** (a) Money in the account is appropriated to the commissioner
47.17 and must be used only:

47.18 (1) for grant awards made under this section; and

47.19 (2) to pay the reasonable costs incurred by the department to administer this section,
47.20 including the cost of providing technical assistance to school districts, electric utilities,
47.21 electric vehicle service providers, or transportation service providers, including but not
47.22 limited to grant writing assistance for applications for federal vehicle electrification programs.

47.23 (b) Grant awards made with funds in the account must be used only for:

47.24 (1) grants for the deployment of electric school buses by school districts; and

47.25 (2) reasonable costs related to technical assistance for electric school bus deployment
47.26 program planning and preparing applications for federal vehicle electrification programs.

47.27 Subd. 5. **Eligible programs.** (a) An electric bus deployment grant may be awarded to
47.28 a school district, electric utility, electric vehicle service provider, or transportation service
47.29 provider under this section only if the electric bus deployment program that is the subject
47.30 of the grant includes but is not limited to the following elements:

47.31 (1) a school district, or transportation service provider may purchase one or more electric
47.32 school buses, or convert or repower fossil-fuel-powered school buses to be electric;

48.1 (2) the grant may be used for up to 75 percent of the cost the school district or
48.2 transportation service provider incurs to purchase one or more electric school buses, or to
48.3 convert or repower fossil-fuel-powered school buses to be electric;

48.4 (3) for prioritized school districts, the grant may be used for up to 95 percent of the cost
48.5 the school district or transportation service provider incurs to purchase one or more electric
48.6 school buses, or to convert or repower fossil-fuel-powered school buses to be electric;

48.7 (4) the grant may be used for up to 75 percent of the cost of deploying on the school
48.8 district or transportation service provider's real property infrastructure required to operate
48.9 electric school buses, including but not limited to battery exchange stations, electric vehicle
48.10 infrastructure, or electric vehicle charging stations;

48.11 (5) for prioritized school districts, the grant may be used for up to 95 percent of the cost
48.12 of deploying on the school district or transportation service provider's real property
48.13 infrastructure required to operate electric school buses, including but not limited to battery
48.14 exchange stations, electric vehicle infrastructure, or electric vehicle charging stations;

48.15 (6) at the request of a school district or transportation service provider, an electric utility
48.16 may deploy on the school district or transportation service provider's real property electric
48.17 vehicle infrastructure required to operate electric school buses; and

48.18 (7) the school district prioritizes the deployment of electric school buses in areas of the
48.19 school district that serve disadvantaged students, disproportionately experience poor air
48.20 quality, or any areas of the school district that are environmental justice areas as defined in
48.21 section 216B.1691, subdivision 1, paragraph (e).

48.22 (b) A technical assistance grant may be awarded to a school district, electric utility,
48.23 electric vehicle service provider, or transportation service provider under this section for
48.24 the reasonable costs related to electric school bus deployment program planning and for
48.25 preparing applications for federal vehicle electrification programs.

48.26 Subd. 6. **Application process.** (a) The commissioner must issue a request for proposals
48.27 to school districts, electric utilities, the electric vehicle service providers, and the
48.28 transportation service providers who may wish to apply for an electric bus deployment or
48.29 technical assistance grant under this section on behalf of a school.

48.30 (b) A school district, electric utility, electric vehicle service provider, or transportation
48.31 service provider must submit an application for an electric school bus deployment grant to
48.32 the commissioner on behalf of a school district on a form prescribed by the commissioner.
48.33 The form must include, at a minimum, the following information:

49.1 (1) the number of and description of the electric school buses the school district or
49.2 transportation service provider intend to purchase;

49.3 (2) the total cost to purchase the electric school buses and the incremental cost, if any,
49.4 of the electric school buses when compared with fossil-fuel-powered school buses;

49.5 (3) a copy of the proposed contract agreement between the school district, the electric
49.6 utility, the electric vehicle service provider, or the transportation service provider that
49.7 includes provisions addressing responsibility for maintenance of the electric school buses
49.8 and the infrastructure required to operate electric school buses, including but not limited to
49.9 battery exchange stations, electric vehicle infrastructure, or electric vehicle charging stations;

49.10 (4) whether the school district is also a prioritized school district;

49.11 (5) the areas of the school district that serve disadvantaged students, disproportionately
49.12 experience poor air quality, as measured by indicators such as the Minnesota Pollution
49.13 Control Agency's air quality monitoring network, the Minnesota Department of Health's
49.14 air quality and health monitoring, or any other indicators applicants choose to include, or
49.15 any areas of the school district that are environmental justice areas as defined in section
49.16 216B.1691, subdivision 1, paragraph (e);

49.17 (6) the school district's plan, if any, to make the electric school buses serve as a visible
49.18 learning tool for students, teachers, and visitors to the school, including how vehicle
49.19 electrification may be integrated into the school district's curriculum;

49.20 (7) information that demonstrates the school district's level of need for financial assistance
49.21 available under this section;

49.22 (8) information that demonstrates the school district's readiness to implement the project
49.23 and to operate the electric school buses for no less than five years;

49.24 (9) with respect to the installation and operation of the infrastructure required to operate
49.25 electric school buses, the willingness and ability of the electric vehicle service provider or
49.26 the electric utility to:

49.27 (i) pay employees and contractors a prevailing wage rate, as defined in section 177.42,
49.28 subdivision 6; and

49.29 (ii) adhere to the provisions of section 177.43; and

49.30 (10) any other information deemed relevant by the commissioner.

49.31 (c) A school district, electric utility, electric vehicle service provider, or transportation
49.32 service provider must submit an application for a technical assistance grant to the

50.1 commissioner on behalf of a school district on a form prescribed by the commissioner. The
50.2 form must include, at a minimum, the following information:

50.3 (1) the name of the federal programs to which the applicants intend to apply;

50.4 (2) a description of the technical assistance the applicants will require to complete the
50.5 federal application; and

50.6 (3) any other information deemed relevant by the commissioner.

50.7 (d) The commissioner shall prioritize making grant awards to prioritized school districts.
50.8 On an annual basis, when prioritized school districts have applied for a grant, the
50.9 commissioner shall have as a goal awarding no less than 40 percent of the state's total grant
50.10 award amount to prioritized school districts.

50.11 (e) The commissioner must administer an open application process under this section
50.12 at least twice annually.

50.13 (f) The commissioner must develop administrative procedures governing the application
50.14 and grant award process.

50.15 Subd. 7. **Technical assistance.** The commissioner must provide technical assistance to
50.16 school districts to develop and execute projects under this section.

50.17 Subd. 8. **Grant payments.** The commissioner must award a grant from the account
50.18 established under subdivision 3 to a school district, the electric utility, the electric vehicle
50.19 service provider, or the transportation service provider for the necessary costs associated
50.20 with deployment of electric buses. The amount of the grant must be based on the
50.21 commissioner's assessment of the school district's need for financial assistance. For each
50.22 award, the amount of the grant, in combination with any federal vehicle electrification
50.23 program awards to the school district, the electric utility, the electric vehicle service provider,
50.24 or the transportation service provider, shall not exceed the cost of the applicant's proposed
50.25 electric school buses, electric vehicle charging stations, and the electric vehicle infrastructure.

50.26 Subd. 9. **Application deadline.** No application may be submitted under this section
50.27 after December 31, 2032.

50.28 Subd. 10. **Reporting.** Beginning January 15, 2024, and each year thereafter until January
50.29 15, 2034, the commissioner must report to the chairs and ranking minority members of the
50.30 legislative committees with jurisdiction over energy regarding: (1) grants and amounts
50.31 awarded to school districts under this section during the previous year; and (2) any remaining
50.32 balances available under this section.

51.1 Subd. 11. **Cost recovery.** (a) Any prudent and reasonable investment made by any public
51.2 utility on electric vehicle infrastructure installed on a school district's real property may be
51.3 placed in the public utility's rate base and earn a rate of return, as determined by the
51.4 commission.

51.5 (b) Notwithstanding any other provision of this chapter, the commission may approve
51.6 a tariff mechanism to automatically adjust annual charges for prudent and reasonable
51.7 investments made by a public utility on electric vehicle infrastructure installed on a school
51.8 district's real property.

51.9 **EFFECTIVE DATE.** This section is effective the day following final enactment.

51.10 Sec. 15. Minnesota Statutes 2022, section 216B.1641, is amended to read:

51.11 **216B.1641 COMMUNITY SOLAR GARDEN.**

51.12 Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms in this
51.13 subdivision have the meanings given.

51.14 (b) "Landlord" has the meaning given in section 504B.001, subdivision 7.

51.15 (c) "Residential tenant" has the meaning given in section 504B.001, subdivision 12.

51.16 (d) "Subscriber" means a retail customer who contracts for one or more subscriptions
51.17 for a community solar garden interconnected with the retail customer's utility.

51.18 (e) "Subscription" means a contract between a subscriber and the owner of a community
51.19 solar garden.

51.20 Subd. 2. **Solar garden program.** (a) The public utility subject to section 116C.779 shall
51.21 file by September 30, 2013, a plan with the commission to operate a community solar garden
51.22 program which shall begin operations within 90 days after commission approval of the plan.
51.23 Other public utilities may file an application at their election. The community solar garden
51.24 program must be designed to offset the energy use of not less than five subscribers in each
51.25 community solar garden facility of which no single subscriber has more than a 40 percent
51.26 interest. The owner of the community solar garden may be a public utility or any other entity
51.27 or organization that contracts to sell the output from the community solar garden to the
51.28 utility under section 216B.164. There shall be no limitation on the number or cumulative
51.29 generating capacity of community solar garden facilities other than the limitations imposed
51.30 under section 216B.164, subdivision 4c, or other limitations provided in law or regulations.

51.31 (b) A solar garden is a facility that generates electricity by means of a ground-mounted
51.32 or roof-mounted solar photovoltaic device whereby subscribers receive a bill credit for the

52.1 electricity generated in proportion to the size of their subscription. The solar garden must
 52.2 have a nameplate capacity of no more than one megawatt. Each subscription shall be sized
 52.3 to represent at least 200 watts of the community solar garden's generating capacity and to
 52.4 supply, when combined with other distributed generation resources serving the premises,
 52.5 no more than 120 percent of the average annual consumption of electricity by each subscriber
 52.6 at the premises to which the subscription is attributed.

52.7 (c) The solar generation facility must be located in the service territory of the public
 52.8 utility filing the plan. Subscribers must be retail customers of the public utility ~~located in~~
 52.9 ~~the same county or a county contiguous to where the facility is located.~~

52.10 (d) The public utility must purchase from the community solar garden all energy generated
 52.11 by the solar garden. The purchase shall be at the rate calculated under section 216B.164,
 52.12 subdivision 10, or, until that rate for the public utility has been approved by the commission,
 52.13 the applicable retail rate. A solar garden is eligible for any incentive programs offered under
 52.14 section 116C.7792. A subscriber's portion of the purchase shall be provided by a credit on
 52.15 the subscriber's bill.

52.16 **Subd. 3. Solar garden plan requirements.** ~~(e)~~ (a) The commission may approve,
 52.17 disapprove, or modify a community solar garden ~~program~~ plan. Any plan approved by the
 52.18 commission must:

52.19 (1) reasonably allow for the creation, financing, and accessibility of community solar
 52.20 gardens;

52.21 (2) establish uniform standards, fees, and processes for the interconnection of community
 52.22 solar garden facilities that allow the utility to recover reasonable interconnection costs for
 52.23 each community solar garden;

52.24 (3) not apply different requirements to utility and nonutility community solar garden
 52.25 facilities;

52.26 (4) be consistent with the public interest;

52.27 (5) identify the information that must be provided to potential subscribers to ensure fair
 52.28 disclosure of future costs and benefits of subscriptions;

52.29 (6) include a program implementation schedule;

52.30 (7) identify all proposed rules, fees, and charges; ~~and~~

52.31 (8) identify the means by which the program will be promoted;

52.32 (9) require that participation by a subscriber must be strictly voluntary;

53.1 (10) prohibit a landlord from removing a residential tenant who is an existing retail
 53.2 customer of the public utility from the utility account and subscribing to a community solar
 53.3 garden on behalf of the tenant;

53.4 (11) ensure that contract terms are publicly available; and

53.5 (12) allow subscribers to stop subscribing without charging a fee or other penalty.

53.6 ~~(f)~~ (b) Notwithstanding any other law, neither the manager of nor the subscribers to a
 53.7 community solar garden facility shall be considered a utility solely as a result of their
 53.8 participation in the community solar garden facility.

53.9 ~~(g)~~ (c) Within 180 days of commission approval of a plan under this section, a utility
 53.10 shall begin crediting subscriber accounts for each community solar garden facility in its
 53.11 service territory, and shall file with the commissioner of commerce a description of its
 53.12 crediting system.

53.13 ~~(h) For the purposes of this section, the following terms have the meanings given:~~

53.14 ~~(1) "subscriber" means a retail customer of a utility who owns one or more subscriptions~~
 53.15 ~~of a community solar garden facility interconnected with that utility; and~~

53.16 ~~(2) "subscription" means a contract between a subscriber and the owner of a solar garden.~~

53.17 Subd. 4. **Low-income community solar gardens.** (a) The public utility subject to section
 53.18 116C.779 must file by September 30, 2023, a plan with the commission to operate a
 53.19 low-income community solar garden program in accordance with this subdivision, and must
 53.20 begin operations within 90 days after commission approval of the plan. The program operated
 53.21 under this subdivision:

53.22 (1) is subject to the other requirements of this section except as modified by this
 53.23 subdivision;

53.24 (2) is limited in size to ten megawatts of solar photovoltaic capacity annually;

53.25 (3) must provide that renewable energy credits generated under the program are retained
 53.26 by the public utility; and

53.27 (4) must provide that the utility will purchase all energy generated by a low-income
 53.28 community solar garden. A subscriber's portion of the purchase shall be provided by a credit
 53.29 on the subscriber's bill at the average retail utility energy rate for the appropriate customer
 53.30 class.

53.31 (b) The owner of a solar project must apply to the utility to be designated as a low-income
 53.32 community solar garden before it is eligible to participate in the program. The utility must

54.1 not designate a project a low-income community solar garden unless it is majority-owned
54.2 by a cooperative association, nonprofit organization, or federally recognized Indian Tribe.
54.3 The utility may designate a project a low-income community solar garden if the owner of
54.4 the solar garden demonstrates it will meet the following conditions:

54.5 (1) the solar generation facilities of the solar garden meet the requirements of subdivision
54.6 2, paragraph (b), except as modified by this paragraph;

54.7 (2) at least 25 percent of the solar garden's generating capacity is subscribed by residential
54.8 customers whose household income:

54.9 (i) is 80 percent or less of the area median household income for the geographic area in
54.10 which the low-income household is located, as calculated by the federal Department of
54.11 Housing and Urban Development; or

54.12 (ii) meets the income eligibility standards, as determined by the commission, required
54.13 for a household to receive financial assistance from a federal, state, municipal, or utility
54.14 program administered or approved by the commission;

54.15 (3) eligible nonresidential subscribers consist of only the following, located on census
54.16 tracts designated as low- or moderate-income by the federal Financial Institutions
54.17 Examination Council:

54.18 (i) grocery stores;

54.19 (ii) clinics;

54.20 (iii) childcare centers;

54.21 (iv) food shelves;

54.22 (v) libraries;

54.23 (vi) Tribal Nations;

54.24 (vii) shelters;

54.25 (viii) schools that are not enrolled in any other solar incentive program; or

54.26 (ix) houses of worship;

54.27 (4) the owner does not run credit score or credit history checks on residential subscribers;

54.28 (5) the solar garden has a nameplate capacity of no more than three megawatts alternating
54.29 current;

55.1 (6) the solar garden has no fewer than three subscribers and no subscriber accounts for
55.2 more than 40 percent of the solar garden's capacity;

55.3 (7) the solar garden is operated by an entity that maintains a physical address in Minnesota
55.4 and has designated a contact person in Minnesota who responds to subscriber inquiries; and

55.5 (8) the agreement between the owner of the solar garden and subscribers states that the
55.6 owner must adequately publicize and convene at least one in-person meeting annually to
55.7 provide an opportunity for subscribers to pose questions to the manager or owner.

55.8 Subd. 5. **New solar gardens must be low-income community solar gardens.** The
55.9 public utility subject to section 116C.779 must not approve interconnection of new solar
55.10 gardens or renew existing solar gardens for inclusion in the community solar garden program
55.11 after August 1, 2023, unless the solar garden is accepted for inclusion in the low-income
55.12 community solar garden program under subdivision 4.

55.13 Subd. 6. **Low-income community solar gardens; reporting.** The owner of a low-income
55.14 community solar garden must include the following information in an annual report to the
55.15 low-income community solar garden subscribers and the utility:

55.16 (1) a description of the process by which subscribers may provide input to solar garden
55.17 policy and decision making;

55.18 (2) the amount of revenues received by the solar garden in the previous year that were
55.19 allocated to categories that include but are not limited to operating costs, debt service, profits
55.20 distributed to subscribers, and profits distributed to others;

55.21 (3) minutes from the most recent annual meeting; and

55.22 (4) the proportion of low- and moderate-income subscribers, and a description of how
55.23 this information was collected from subscribers and verified.

55.24 Subd. 7. **Noncompliance.** A solar garden that has begun commercial operation must
55.25 notify the commission in writing within 30 days if it is not in compliance with the
55.26 requirements of subdivision 4, and must come back into compliance within 12 months or
55.27 the commission must revoke its participation in the program. Nothing in this subdivision
55.28 shall be construed to prevent an owner from reapplying to participate in the program after
55.29 revocation.

56.1 Sec. 16. Minnesota Statutes 2022, section 216B.1691, is amended by adding a subdivision
56.2 to read:

56.3 Subd. 2h. **Distributed solar energy standard.** (a) In addition to the other requirements
56.4 of this section, for the public utility subject to section 116C.779, at least three percent of
56.5 the utility's total retail electric sales to customers in Minnesota by the end of 2030 must be
56.6 generated by solar photovoltaic devices:

56.7 (1) with a nameplate capacity of ten megawatts or less connected to the utility's
56.8 distribution system;

56.9 (2) that are located in the service territory of the public utility; and

56.10 (3) were constructed or procured after August 1, 2023.

56.11 (b) Generation with a nameplate capacity of 100 kilowatts or more shall not count toward
56.12 compliance with the standard established in this subdivision unless the public utility verifies
56.13 that construction trades workers who constructed the generation resource were all paid no
56.14 less than the prevailing wage rate, as defined in section 177.42.

56.15 (c) The public utility subject to section 116C.779 may own no more than 30 percent of
56.16 the solar photovoltaic capacity used to satisfy the requirements of this subdivision.

56.17 (d) Compensation for solar photovoltaic projects procured to satisfy the standard
56.18 established in this subdivision must be determined based on a competitive procurement
56.19 process and standard contracts approved by the commission.

56.20 (e) After January 1, 2031, the commission may use the authority in subdivision 2b to
56.21 increase or decrease the standard obligation established in paragraph (a). Prior to that date,
56.22 the commission may modify or delay the implementation of that standard obligation, in
56.23 whole or in part, in accordance with subdivision 2b.

56.24 (f) An integrated distribution plan filed by a utility subject to this subdivision must
56.25 describe investments in the distribution grid that facilitate the interconnection of sufficient
56.26 distribution-connected solar energy to fulfill the requirements of this subdivision.

56.27 Sec. 17. Minnesota Statutes 2022, section 216B.17, subdivision 1, is amended to read:

56.28 Subdivision 1. **Investigation.** ~~On its~~ the commission's own motion or upon a complaint
56.29 made against any public utility; by the governing body of any political subdivision, by
56.30 another public utility, by the department, ~~or~~ by any 50 consumers of ~~the~~ a particular utility,
56.31 or by a complainant under section 216B.172 that any of the rates, tolls, tariffs, charges, or
56.32 schedules or any joint rate or any regulation, measurement, practice, act, or omission affecting

57.1 or relating to the production, transmission, delivery, or furnishing of natural gas or electricity
57.2 or any service in connection therewith is in any respect unreasonable, insufficient, or unjustly
57.3 discriminatory, or that any service is inadequate or cannot be obtained, the commission
57.4 shall proceed, with notice, to make such investigation as it may deem necessary. The
57.5 commission may dismiss any complaint without a hearing if in its opinion a hearing is not
57.6 in the public interest.

57.7 EFFECTIVE DATE. This section is effective the day following final enactment and
57.8 applies to any complaint filed with the commission on or after that date.

57.9 Sec. 18. [216B.172] CONSUMER DISPUTES.

57.10 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have
57.11 the meanings given.

57.12 (b) "Appeal" means a request a complainant files with the commission to review and
57.13 make a final decision regarding the resolution of the complainant's complaint by the consumer
57.14 affairs office.

57.15 (c) "Complainant" means an individual residential customer who files with the consumer
57.16 affairs office a complaint against a public utility.

57.17 (d) "Complaint" means an allegation submitted to the consumer affairs office by a
57.18 complainant that a public utility's action or practice regarding billing or terms and conditions
57.19 of service:

57.20 (1) violates a statute, rule, tariff, service contract, or other provision of law;

57.21 (2) is unreasonable; or

57.22 (3) has harmed or, if not addressed, harms a complainant.

57.23 Complaint does not include an objection to or a request to modify any natural gas or
57.24 electricity rate contained in a tariff that has been approved by the commission. A complaint
57.25 under this section is an informal complaint under Minnesota Rules, chapter 7829.

57.26 (e) "Consumer affairs office" means the staff unit of the commission that is organized
57.27 to receive and respond to complaints.

57.28 (f) "Informal proceeding" has the meaning given in Minnesota Rules, part 7829.0100,
57.29 subpart 8.

57.30 (g) "Public assistance" has the meaning given in section 550.37, subdivision 14.

57.31 (h) "Public utility" has the meaning given in section 216B.02, subdivision 4.

58.1 Subd. 2. **Complaint resolution procedure.** A complainant must first attempt to resolve
58.2 a dispute with a public utility by filing a complaint with the consumer affairs office. The
58.3 consumer affairs office must: (1) notify the complainant of the resolution of the complaint;
58.4 and (2) provide written notice of (i) the complainant's right to appeal the resolution to the
58.5 commission, and (ii) the steps the complainant may take to appeal the resolution. Upon
58.6 request, the consumer affairs office must provide to the complainant a written notice
58.7 containing the substance of and basis for the resolution. Nothing in this section affects any
58.8 other rights existing under this chapter or other law.

58.9 Subd. 3. **Appeal; final commission decision.** (a) If a complainant is not satisfied with
58.10 the resolution of a complaint by the consumer affairs office, the complainant may file an
58.11 appeal with the commission requesting that the commission make a final decision on the
58.12 complaint. The commission's response to an appeal filed under this subdivision must comply
58.13 with the notice requirements under section 216B.17, subdivisions 2 to 5.

58.14 (b) Upon the commission's receipt of an appeal filed under paragraph (a), the chair of
58.15 the commission or a subcommittee delegated under section 216A.03, subdivision 8, to
58.16 review the resolution of the complaint must decide whether the complaint be:

58.17 (1) dismissed because there is no reasonable basis on which to proceed;

58.18 (2) resolved through an informal commission proceeding; or

58.19 (3) referred to the Office of Administrative Hearings for a contested case proceeding
58.20 under chapter 14.

58.21 A decision made under this paragraph must be provided in writing to the complainant and
58.22 the public utility.

58.23 (c) If the commission decides that the complaint be resolved through an informal
58.24 proceeding before the commission or referred to the Office of Administrative Hearings for
58.25 a contested case proceeding, the executive secretary must issue any procedural schedules,
58.26 notices, or orders required to initiate an informal proceeding or a contested case.

58.27 (d) The commission's dismissal of an appeal request or a decision rendered after
58.28 conducting an informal proceeding is a final decision constituting an order or determination
58.29 of the commission.

58.30 Subd. 4. **Judicial review.** Notwithstanding section 216B.27, a complainant may seek
58.31 judicial review in district court of an adverse final decision under subdivision 3, paragraph
58.32 (b), clause (1) or (2). Judicial review of the commission's decision in a contested case referred
58.33 under subdivision 3, paragraph (b), clause (3), is governed by chapter 14.

59.1 Subd. 5. **Right to service during pendency of dispute.** A public utility must continue
59.2 or promptly restore service to a complainant during the pendency of an administrative or
59.3 judicial procedure pursued by a complainant under this section, provided that the
59.4 complainant:

59.5 (1) agrees to enter into a payment agreement under section 216B.098, subdivision 3;

59.6 (2) posts the full disputed payment in escrow;

59.7 (3) demonstrates receipt of public assistance or eligibility for legal aid services; or

59.8 (4) demonstrates the complainant's household income is at or below 50 percent of the
59.9 median income in Minnesota.

59.10 Subd. 6. **Rulemaking authority.** The commission may adopt rules to carry out the
59.11 purposes of this section.

59.12 **EFFECTIVE DATE.** This section is effective the day following final enactment and
59.13 applies to any complaint filed with the commission on or after that date.

59.14 Sec. 19. Minnesota Statutes 2022, section 216B.2422, subdivision 2, is amended to read:

59.15 **Subd. 2. Resource plan filing and approval.** (a) A utility shall file a resource plan with
59.16 the commission periodically in accordance with rules adopted by the commission. The
59.17 commission shall approve, reject, or modify the plan of a public utility, as defined in section
59.18 216B.02, subdivision 4, consistent with the public interest.

59.19 (b) In the resource plan proceedings of all other utilities, the commission's order shall
59.20 be advisory and the order's findings and conclusions shall constitute prima facie evidence
59.21 which may be rebutted by substantial evidence in all other proceedings. With respect to
59.22 utilities other than those defined in section 216B.02, subdivision 4, the commission shall
59.23 consider the filing requirements and decisions in any comparable proceedings in another
59.24 jurisdiction.

59.25 (c) As a part of its resource plan filing, a utility shall include the least cost plan for
59.26 meeting 50 and 75 percent of all energy needs from both new and refurbished generating
59.27 facilities through a combination of conservation and renewable energy resources.

59.28 (d) A public utility must include distributed energy resources among the options
59.29 considered in its resource plan filing.

60.1 Sec. 20. Minnesota Statutes 2022, section 216B.62, subdivision 3b, is amended to read:

60.2 Subd. 3b. **Assessment for department regional and national duties.** ~~(a)~~ In addition
60.3 to other assessments in subdivision 3, the department may assess up to ~~\$500,000~~ \$1,000,000
60.4 per fiscal year to perform the duties under section 216A.07, subdivision 3a, and to conduct
60.5 analysis that assesses energy grid reliability at state, regional, and national levels. The
60.6 amount in this subdivision shall be assessed to energy utilities in proportion to their respective
60.7 gross operating revenues from retail sales of gas or electric service within the state during
60.8 the last calendar year and shall be deposited into an account in the special revenue fund and
60.9 is appropriated to the commissioner of commerce for the purposes of section 216A.07,
60.10 subdivision 3a. An assessment made under this subdivision is not subject to the cap on
60.11 assessments provided in subdivision 3 or any other law. For the purpose of this subdivision,
60.12 an "energy utility" means public utilities, generation and transmission cooperative electric
60.13 associations, and municipal power agencies providing natural gas or electric service in the
60.14 state.

60.15 ~~(b) By February 1, 2023, the commissioner of commerce must submit a written report~~
60.16 ~~to the chairs and ranking minority members of the legislative committees with primary~~
60.17 ~~jurisdiction over energy policy. The report must describe how the department has used~~
60.18 ~~utility grid assessment funding under paragraph (a) and must explain the impact the grid~~
60.19 ~~assessment funding has had on grid reliability in Minnesota.~~

60.20 ~~(c) This subdivision expires June 30, 2023.~~

60.21 **EFFECTIVE DATE.** This section is effective the day following final enactment.

60.22 Sec. 21. **[216B.631] COMPENSATION FOR PARTICIPANTS IN PROCEEDINGS.**

60.23 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have
60.24 the meanings given.

60.25 (b) "Participant" means a person who files comments or appears in a commission
60.26 proceeding concerning one or more public utilities, excluding public hearings held in
60.27 contested cases and commission proceedings conducted to receive general public comments.

60.28 (c) "Party" means a person by or against whom a proceeding before the commission is
60.29 commenced or a person permitted to intervene in a proceeding, other than public hearings,
60.30 concerning one or more public utilities.

60.31 (d) "Proceeding" means a process or procedural means the commission engages in under
60.32 this chapter to attempt to resolve an issue affecting one or more public utilities and which
60.33 results in a commission order.

61.1 (e) "Public utility" has the meaning given in section 216B.02, subdivision 4.

61.2 Subd. 2. **Participants; eligibility.** Any of the following participants is eligible to receive
61.3 compensation under this section:

61.4 (1) a nonprofit organization that:

61.5 (i) is exempt from taxation under section 501(c)(3) of the United States Internal Revenue
61.6 Code;

61.7 (ii) is incorporated or organized in Minnesota;

61.8 (iii) is governed under chapter 317A or section 322C.1101; and

61.9 (iv) the commission determines under subdivision 3, paragraph (c), would suffer financial
61.10 hardship if not compensated for the nonprofit organization's participation in the applicable
61.11 proceeding;

61.12 (2) a Tribal government of a federally recognized Indian Tribe that is located in
61.13 Minnesota; or

61.14 (3) a Minnesota resident, except that an individual who owns a for-profit business that
61.15 has earned revenue from a Minnesota utility in the past two years is not eligible for
61.16 compensation.

61.17 Subd. 3. **Compensation; conditions.** (a) The commission may order a public utility to
61.18 compensate all or part of a participant's reasonable costs incurred to participate in a
61.19 proceeding before the commission if the participant is eligible under subdivision 2 and the
61.20 commission finds:

61.21 (1) that the participant has materially assisted the commission's deliberation; and

61.22 (2) if the participant is a nonprofit organization, that the participant would suffer financial
61.23 hardship if the nonprofit organization's participation in the proceeding was not compensated.

61.24 (b) In determining whether a participant has materially assisted the commission's
61.25 deliberation, the commission must find that:

61.26 (1) the participant made a unique contribution to the record and represented an interest
61.27 that would not otherwise have been adequately represented;

61.28 (2) the evidence or arguments presented or the positions taken by the participant were
61.29 an important factor in producing a fair decision;

61.30 (3) the participant's position promoted a public purpose or policy;

62.1 (4) the evidence presented, arguments made, issues raised, or positions taken by the
62.2 participant would not otherwise have been part of the record;

62.3 (5) the participant was active in any stakeholder process included in the proceeding; and

62.4 (6) the proceeding resulted in a commission order that adopted, in whole or in part, a
62.5 position advocated by the participant.

62.6 (c) In determining whether a nonprofit participant has demonstrated that a lack of
62.7 compensation would present financial hardship, the commission must find that the nonprofit
62.8 participant:

62.9 (1) incorporated or organized within three years of the beginning of the applicable
62.10 proceeding;

62.11 (2) has payroll expense less than \$750,000; or

62.12 (3) has secured less than \$100,000 in current year funding dedicated to participation in
62.13 commission proceedings, not including any participant compensation awarded under this
62.14 section.

62.15 (d) In reviewing a compensation request, the commission must consider whether the
62.16 costs presented in the participant's claim are reasonable. If the commission determines that
62.17 an eligible participant materially assisted its deliberation, the commission shall award all
62.18 or part of the requested compensation, up to the maximum amounts listed in subdivision 4.

62.19 Subd. 4. **Compensation; amount.** (a) Compensation must not exceed \$50,000 for a
62.20 single participant in any proceeding, except that:

62.21 (1) if a proceeding extends longer than 12 months, a participant may request and be
62.22 awarded compensation of up to \$50,000 for costs incurred in each calendar year; and

62.23 (2) in an integrated resource plan proceeding under section 216B.2422 or a proceeding
62.24 that has been referred to the Office of Administrative Hearings for a contested case
62.25 proceeding, a participant may request and be awarded up to \$75,000.

62.26 (b) No single participant may be awarded more than \$200,000 under this section in a
62.27 single calendar year.

62.28 (c) Compensation requests from joint participants must be presented as a single request.

62.29 (d) Notwithstanding paragraphs (a) and (b), the commission must not, in any calendar
62.30 year, require a single public utility to pay aggregate compensation under this section that
62.31 exceeds the following amounts:

63.1 (1) \$100,000, for a public utility with up to \$300,000,000 annual gross operating revenue
63.2 in Minnesota;

63.3 (2) \$275,000, for a public utility with at least \$300,000,000 but less than \$900,000,000
63.4 annual gross operating revenue in Minnesota;

63.5 (3) \$375,000, for a public utility with at least \$900,000,000 but less than \$2,000,000,000
63.6 annual gross operating revenue in Minnesota; and

63.7 (4) \$1,250,000, for a public utility with \$2,000,000,000 or more annual gross operating
63.8 revenue in Minnesota.

63.9 (e) When requests for compensation from any public utility approach the limits established
63.10 in paragraph (d), the commission may give priority to requests from participants that received
63.11 less than \$150,000 in total compensation during the previous two years and from participants
63.12 who represent residential ratepayers, particularly those residential ratepayers whom the
63.13 participant can demonstrate have been underrepresented in past commission proceedings.

63.14 Subd. 5. **Compensation; process.** (a) A participant seeking compensation must file a
63.15 request and an affidavit of service with the commission, and serve a copy of the request on
63.16 each party to the proceeding. The request must be filed no more than 30 days after the later
63.17 of:

63.18 (1) the expiration of the period within which a petition for rehearing, amendment,
63.19 vacation, reconsideration, or reargument must be filed; or

63.20 (2) the date the commission issues an order following rehearing, amendment, vacation,
63.21 reconsideration, or reargument.

63.22 (b) A compensation request must include:

63.23 (1) the name and address of the participant or nonprofit organization the participant is
63.24 representing;

63.25 (2) evidence of the organization's nonprofit, tax-exempt status, if applicable;

63.26 (3) the name and docket number of the proceeding for which compensation is requested;

63.27 (4) for a nonprofit participant, evidence supporting the nonprofit organization's eligibility
63.28 for compensation under the financial hardship test under subdivision 3, paragraph (c);

63.29 (5) amounts of compensation awarded to the participant under this section during the
63.30 current year and any pending requests for compensation, itemized by docket;

63.31 (6) an itemization of the participant's costs, not including overhead costs;

64.1 (7) participant revenues dedicated for the proceeding;

64.2 (8) the total compensation request; and

64.3 (9) a narrative describing the unique contribution made to the proceeding by the
64.4 participant.

64.5 (c) A participant must comply with reasonable requests for information by the commission
64.6 and other parties or participants. A participant must reply to information requests within
64.7 ten calendar days of the date the request is received, unless doing so would place an extreme
64.8 hardship upon the replying participant. The replying participant must provide a copy of the
64.9 information to any other participant or interested person upon request. Disputes regarding
64.10 information requests may be resolved by the commission.

64.11 (d) A party objecting to a request for compensation must, within 30 days after service
64.12 of the request for compensation, file a response, together with an affidavit of service, with
64.13 the commission. A copy of the response must be served on the requesting participant and
64.14 all other parties to the proceeding.

64.15 (e) The requesting participant may file a reply with the commission within 15 days after
64.16 a response is filed under paragraph (d). A copy of the reply and an affidavit of service must
64.17 be served on all other parties to the proceeding.

64.18 (f) If additional costs are incurred by a participant as a result of additional proceedings
64.19 following the commission's initial order, the participant may file an amended request within
64.20 30 days after the commission issues an amended order. Paragraphs (b) to (e) apply to an
64.21 amended request.

64.22 (g) The commission must issue a decision on participant compensation within 120 days
64.23 of the date a request for compensation is filed by a participant.

64.24 (h) The commission may extend the deadlines in paragraphs (d), (e), and (g) for up to
64.25 30 days upon the request of a participant or on the commission's own initiative.

64.26 (i) A participant may request reconsideration of the commission's compensation decision
64.27 within 30 days of the decision date.

64.28 Subd. 6. **Compensation; orders.** (a) If the commission issues an order requiring payment
64.29 of participant compensation, the public utility that was the subject of the proceeding must
64.30 pay the full compensation to the participant and file proof of payment with the commission
64.31 within 30 days after the later of:

65.1 (1) the expiration of the period within which a petition for reconsideration of the
65.2 commission's compensation decision must be filed; or

65.3 (2) the date the commission issues an order following reconsideration of the commission's
65.4 order on participant compensation.

65.5 (b) If the commission issues an order requiring payment of participant compensation in
65.6 a proceeding involving multiple public utilities, the commission must apportion costs among
65.7 the public utilities in proportion to each public utility's annual revenue.

65.8 (c) The commission may issue orders necessary to allow a public utility to recover the
65.9 costs of participant compensation on a timely basis.

65.10 Subd. 7. **Report.** By July 1, 2026, the commission must report to the chairs and ranking
65.11 minority members of the senate and house of representatives committees with primary
65.12 jurisdiction over energy policy on the operation of this section. The report must include but
65.13 is not limited to:

65.14 (1) the amount of compensation paid each year by each utility;

65.15 (2) each recipient of compensation, the commission dockets in which compensation was
65.16 awarded, and the compensation amounts; and

65.17 (3) the impact of the participation of compensated participants.

65.18 **EFFECTIVE DATE.** This section is effective the day following final enactment and
65.19 applies to any proceeding in which the commission has not issued a final order as of that
65.20 date.

65.21 Sec. 22. Minnesota Statutes 2022, section 216C.264, is amended by adding a subdivision
65.22 to read:

65.23 Subd. 1a. **Definitions.** (a) For purposes of this section, the following terms have the
65.24 meanings given.

65.25 (b) "Low-income conservation program" means a utility program that offers energy
65.26 conservation services to low-income households under sections 216B.2403, subdivision 5,
65.27 and 216B.241, subdivision 7.

65.28 (c) "Preweatherization measure" has the meaning given in section 216B.2402, subdivision
65.29 20.

66.1 (d) "Weatherization assistance program" means the federal program described in Code
 66.2 of Federal Regulations, title 10, part 440, et seq., designed to assist low-income households
 66.3 reduce energy use.

66.4 (e) "Weatherization assistance services" means the energy measures installed in
 66.5 households under the weatherization assistance program.

66.6 Sec. 23. Minnesota Statutes 2022, section 216C.264, is amended by adding a subdivision
 66.7 to read:

66.8 Subd. 1b. **Establishment; purpose.** A preweatherization program is established in the
 66.9 department. The purpose of the program is to provide grants for preweatherization services,
 66.10 as defined under section 216B.2402, subdivision 20, in order to expand the breadth and
 66.11 depth of services provided to income-eligible households in Minnesota.

66.12 Sec. 24. Minnesota Statutes 2022, section 216C.264, is amended by adding a subdivision
 66.13 to read:

66.14 Subd. 1c. **Preweatherization account.** (a) A preweatherization account is created as a
 66.15 separate account in the special revenue fund of the state treasury. The account consists of
 66.16 money provided by law, donated, allotted, transferred, or otherwise provided to the account.
 66.17 Earnings, including interest, dividends, and any other earnings arising from assets of the
 66.18 account, must be credited to the account. Money remaining in the account at the end of a
 66.19 fiscal year does not cancel to the general fund and remains in the account until expended.
 66.20 The commissioner must manage the account.

66.21 (b) Money in the account is appropriated to the commissioner to pay for (1) grants issued
 66.22 under the program, and (2) the reasonable costs incurred by the commissioner to administer
 66.23 the program.

66.24 Sec. 25. Minnesota Statutes 2022, section 216C.264, subdivision 5, is amended to read:

66.25 Subd. 5. **Grant allocation.** (a) The commissioner must distribute supplementary state
 66.26 grants in a manner consistent with the goal of producing the maximum number of weatherized
 66.27 units. Supplementary state grants are provided primarily for the payment of additional labor
 66.28 costs for the federal weatherization program, and as an incentive for the increased production
 66.29 of weatherized units. to pay for and may be used to:

66.30 (1) address physical deficiencies in a residence that increase heat loss, including
 66.31 deficiencies that prohibit the residence from being eligible to receive federal weatherization
 66.32 assistance;

67.1 (2) install eligible preweatherization measures established by the commissioner, as
67.2 required under section 216B.241, subdivision 7, paragraph (g);

67.3 (3) increase the number of weatherized residences;

67.4 (4) conduct outreach activities to make income-eligible households aware of available
67.5 weatherization services, to assist applicants in filling out applications for weatherization
67.6 assistance, and to provide translation services when necessary;

67.7 (5) enable projects in multifamily buildings to proceed even if the project cannot comply
67.8 with the federal requirement that projects must be completed within the same federal fiscal
67.9 year in which the project is begun;

67.10 (6) expand weatherization training opportunities in existing and new training programs;

67.11 (7) pay additional labor costs for the federal weatherization program; and

67.12 (8) provide an incentive for the increased production of weatherized units.

67.13 (b) Criteria ~~for the allocation of~~ used to allocate state grants to local agencies include
67.14 existing local agency production levels, emergency needs, and the potential ~~for maintaining~~
67.15 to maintain or ~~increasing~~ increase acceptable levels of production in the area.

67.16 (c) An eligible local agency may receive advance funding for 90 days' production, but
67.17 thereafter must receive grants solely on the basis of the program criteria under this
67.18 subdivision.

67.19 Sec. 26. Minnesota Statutes 2022, section 216C.264, is amended by adding a subdivision
67.20 to read:

67.21 Subd. 7. **Supplemental weatherization assistance program.** The commissioner must
67.22 provide grants to weatherization service providers to address physical deficiencies and
67.23 install weatherization and preweatherization measures in residential buildings occupied by
67.24 eligible low-income households.

67.25 Sec. 27. Minnesota Statutes 2022, section 216C.264, is amended by adding a subdivision
67.26 to read:

67.27 Subd. 8. **Training grants program.** (a) The commissioner must establish a
67.28 weatherization training grant program to award grants through a competitive process to
67.29 educational institutions, certified training centers, labor organizations, and nonprofits to
67.30 assist with the costs associated with training and developing programs for careers in the
67.31 weatherization industry.

68.1 (b) In order to receive grant funds, a written application must be submitted to the
68.2 commissioner on a form developed by the commissioner.

68.3 (c) When awarding grants under this subdivision, the commissioner must prioritize
68.4 applications that:

68.5 (1) provide the highest quality training to prepare for in-demand careers;

68.6 (2) train workers to provide weatherization services that meet federal Building
68.7 Performance Institute certification requirements or Standard Work Specification
68.8 requirements, as required by the program; and

68.9 (3) leverage nonstate funds or in-kind contributions.

68.10 **Sec. 28. [216C.331] ENERGY BENCHMARKING.**

68.11 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
68.12 the meanings given.

68.13 (b) "Aggregated customer energy use data" means customer energy use data, which is
68.14 combined into one collective data point per time interval. It is data with any unique identifiers
68.15 or other personal information removed that a qualifying utility collects and aggregates in
68.16 at least monthly intervals for an entire building on a covered property.

68.17 (c) "Benchmark" means to electronically input into a benchmarking tool the total energy
68.18 use data and other descriptive information about a building that is required by a benchmarking
68.19 tool.

68.20 (d) "Benchmarking information" means data related to a building's energy use generated
68.21 by a benchmarking tool, and other information about the building's physical and operational
68.22 characteristics. Benchmarking information includes but is not limited to the building's:

68.23 (1) address;

68.24 (2) owner and, if applicable, the building manager responsible for operating the building's
68.25 physical systems;

68.26 (3) total floor area, expressed in square feet;

68.27 (4) energy use intensity;

68.28 (5) greenhouse gas emissions; and

68.29 (6) energy performance score comparing the building's energy use with that of similar
68.30 buildings.

69.1 (e) "Benchmarking tool" means the United States Environmental Protection Agency's
69.2 Energy Star Portfolio Manager tool or an equivalent tool determined by the commissioner.

69.3 (f) "Customer energy use data" refers to data collected from the utility customer meters
69.4 that reflect the quantity, quality, or timing of customers' usage.

69.5 (g) "Covered property" means any property served by an investor-owned utility in the
69.6 metropolitan area as defined in section 473.121, subdivision 2, or in any city outside the
69.7 metropolitan area with a population of over 50,000 residents served by a municipal energy
69.8 utility or investor-owned utility, and that has one or more buildings containing in sum 50,000
69.9 gross square feet or greater. Covered property does not include:

69.10 (1) a residential property containing fewer than five dwelling units;

69.11 (2) a property classified as manufacturing under the North American Industrial
69.12 Classification System (NAICS), is an energy-intensive trade-exposed customer as defined
69.13 in section 216B.1696, is an electric power generation facility, is a mining facility, or is
69.14 otherwise an industrial building incompatible with benchmarking in the benchmarking tool;

69.15 (3) an agricultural building; or

69.16 (4) a multi-tenant building that is served by a utility that cannot supply aggregated
69.17 customer usage data, and other property types that do not meet the purposes of this section,
69.18 as determined by the commissioner.

69.19 (h) "Energy" means electricity, natural gas, steam, or another product used to: (1) provide
69.20 heating, cooling, lighting, or water heating; or (2) power other end uses in a building.

69.21 (i) "Energy use intensity" means the total annual energy consumed in a building divided
69.22 by the building's total floor area.

69.23 (j) "Energy performance score" means a numerical value from one to 100 that the Energy
69.24 Star Portfolio Manager tool calculates to rate a building's energy efficiency against that of
69.25 comparable buildings nationwide.

69.26 (k) "Energy Star Portfolio Manager" means an interactive resource management tool
69.27 developed by the United States Environmental Protection Agency that (1) enables the
69.28 periodic entry of a building's energy use data and other descriptive information about a
69.29 building, and (2) rates a building's energy efficiency against that of comparable buildings
69.30 nationwide.

69.31 (l) "Financial distress" means a covered property that, at the time benchmarking is
69.32 conducted:

70.1 (1) is the subject of a qualified tax lien sale or public auction due to property tax
70.2 arrearages;

70.3 (2) is controlled by a court-appointed receiver based on financial distress;

70.4 (3) is owned by a financial institution through default by the borrower;

70.5 (4) has been acquired by deed in lieu of foreclosure; or

70.6 (5) has a senior mortgage that is subject to a notice of default.

70.7 (m) "Local government" means a statutory or home rule municipality or county.

70.8 (n) "Owner" means:

70.9 (1) an individual or entity that possesses title to a covered property; or

70.10 (2) an agent authorized to act on behalf of the covered property owner.

70.11 (o) "Qualifying utility" means a utility serving the covered property, including:

70.12 (1) an electric or gas utility, including:

70.13 (i) an investor-owned electric or gas utility; or

70.14 (ii) a municipally owned electric or gas utility;

70.15 (2) a natural gas supplier with five or more active commercial connections, accounts,
70.16 or customers in the state; or

70.17 (3) a district steam, hot water, or chilled water provider.

70.18 (p) "Tenant" means a person that, pursuant to a rental or lease agreement, occupies or
70.19 holds possession of a building or part of a building or premises.

70.20 (q) "Total floor area" means the sum of gross square footage inside a building's envelope,
70.21 measured between the outside exterior walls of the building. Total floor area includes covered
70.22 parking structures.

70.23 (r) "Utility customer" means the building owner or tenant listed on the utility's records
70.24 as the customer liable for payment of the utility service or additional charges assessed on
70.25 the utility account.

70.26 Subd. 2. **Establishment.** The commissioner must establish and maintain a building
70.27 energy benchmarking program. The purpose of the program is to:

70.28 (1) make a building's owners, tenants, and potential tenants aware of (i) the building's
70.29 energy consumption levels and patterns, and (ii) how the building's energy use compares
70.30 with that of similar buildings nationwide; and

71.1 (2) enhance the likelihood that owners adopt energy conservation measures in the owners'
 71.2 buildings as a way to reduce energy use, operating costs, and greenhouse gas emissions.

71.3 Subd. 3. **Classification of covered properties.** For the purposes of this section, a covered
 71.4 property is classified as follows:

71.5	<u>Class</u>	<u>Total Floor Area (sq. ft.)</u>
71.6	<u>1</u>	<u>100,000 or more</u>
71.7	<u>2</u>	<u>50,000 to 99,999</u>

71.8 Subd. 4. **Benchmarking requirement.** (a) An owner must annually benchmark all
 71.9 covered property owned as of December 31 in conformity with the schedule in subdivision
 71.10 7. Energy use data must be compiled by:

71.11 (1) obtaining the data from the utility providing the energy; or

71.12 (2) reading a master meter.

71.13 (b) Before entering information in a benchmarking tool, an owner must run all automated
 71.14 data quality assurance functions available within the benchmarking tool and must correct
 71.15 all data identified as missing or incorrect.

71.16 (c) An owner who becomes aware that any information entered into a benchmarking
 71.17 tool is inaccurate or incomplete must amend the information in the benchmarking tool within
 71.18 30 days of the date the owner learned of the inaccuracy.

71.19 (d) Nothing in this subdivision shall be construed to prohibit an owner of property that
 71.20 is not a covered property from voluntarily benchmarking a property under this section.

71.21 Subd. 5. **Exemption by individual building.** (a) The commissioner may exempt an
 71.22 owner of a covered property from the requirements of subdivision 4 if the owner provides
 71.23 evidence satisfactory to the commissioner that the covered property:

71.24 (1) is presently experiencing financial distress;

71.25 (2) has been less than 50 percent occupied during the previous calendar year;

71.26 (3) does not have a certificate of occupancy or temporary certificate of occupancy for
 71.27 the full previous calendar year;

71.28 (4) was issued a demolition permit during the previous calendar year that remains current;

71.29 or

71.30 (5) received no energy services for at least 30 days during the previous calendar year.

72.1 (b) An exemption granted under this subdivision applies only to a single calendar year.
72.2 An owner must reapply to the commissioner each year an extension is sought.

72.3 (c) Within 30 days of the date an owner makes a request under this paragraph, a tenant
72.4 of a covered property subject to this section must provide the owner with any information
72.5 regarding energy use of the tenant's rental unit that the property owner cannot otherwise
72.6 obtain and that is needed by the owner to comply with this section. The tenant must provide
72.7 the information required under this paragraph in a format approved by the commissioner.

72.8 Subd. 6. **Exemption by other government benchmarking program.** Owners are
72.9 exempt from the requirements of subdivision 4 for a covered property if the property is
72.10 subject to a benchmarking requirement by the state, a city, or other political subdivision
72.11 with a benchmarking requirement that the commissioner determines is equivalent or more
72.12 stringent, as determined under subdivision 11, paragraph (b), than the benchmarking
72.13 requirement established in this section. This exemption applies in perpetuity unless or until
72.14 the benchmarking requirement is changed or revoked and the commissioner deems the
72.15 benchmarking requirement no longer equivalent nor more stringent.

72.16 Subd. 7. **Benchmarking schedule.** (a) An owner must annually benchmark each covered
72.17 property for the previous calendar year according to the following schedule:

72.18 (1) all Class 1 properties by June 1, 2025, and by every June 1 thereafter; and

72.19 (2) all Class 2 properties by June 1, 2026, and by every June 1 thereafter.

72.20 (b) Beginning June 1, 2025, for Class 1 properties, and June 1, 2026, for Class 2
72.21 properties, an owner who is selling a covered property must provide the following to the
72.22 new owner at the time of sale:

72.23 (1) benchmarking information for the most recent 12-month period, including monthly
72.24 energy use by source; or

72.25 (2) ownership of the digital property record in the benchmarking tool through an online
72.26 transfer.

72.27 Subd. 8. **Utility data requirements.** (a) In implementing this section, a qualifying utility
72.28 shall implement the data aggregation standards established by the commission in docket
72.29 number 19-505, including changes to those standards adopted in an order issued after the
72.30 effective date of this section. A municipal energy utility serving a covered property under
72.31 this section shall adopt data aggregation standards that are substantially similar to the
72.32 standards included in the commission's order in that docket and subsequent relevant orders.

73.1 (b) Any customer energy use data that a qualifying utility provides an owner pursuant
73.2 to this subdivision must be:

73.3 (1) available on, or able to be requested through, an easily navigable web portal or online
73.4 request form using up-to-date standards for digital authentication;

73.5 (2) provided to the owner within 30 days after receiving the owner's valid written or
73.6 electronic request;

73.7 (3) provided for at least 24 consecutive months of energy consumption or as many
73.8 months of consumption data that are available if the owner has owned the building for less
73.9 than 24 months;

73.10 (4) directly uploaded to the owner's benchmarking tool account, delivered in the
73.11 spreadsheet template specified by the benchmarking tool, or delivered in another format
73.12 approved by the commissioner;

73.13 (5) provided to the owner on at least an annual basis until the owner revokes the request
73.14 for energy use data or sells the covered property; and

73.15 (6) provided in monthly intervals, or the shortest available intervals based in billing.

73.16 (c) Data necessary to establish, utilize, or maintain information in the benchmarking
73.17 tool under this section may be collected or shared as provided by this section and shall be
73.18 considered public data whether or not it has been aggregated.

73.19 Subd. 9. **Data collection and management.** (a) The commissioner must:

73.20 (1) collect benchmarking information generated by a benchmarking tool and other related
73.21 information for each covered property;

73.22 (2) provide technical assistance to owners entering data into a benchmarking tool;

73.23 (3) collaborate with the Department of Revenue to collect the data necessary for
73.24 establishing the covered property list annually; and

73.25 (4) provide technical guidance to utilities in the establishment of data aggregation and
73.26 access tools.

73.27 (b) Upon request of the commissioner, a county assessor shall provide readily available
73.28 property data necessary for the development of the covered property list, including but not
73.29 limited to gross floor area, property type, and owner information by January 15 annually.

73.30 (c) The commissioner must:

74.1 (1) rank benchmarked covered properties in each property class from highest to lowest
74.2 performance score, or, if a performance score is unavailable for a covered property, from
74.3 lowest to highest energy use intensity;

74.4 (2) divide covered properties in each property class into four quartiles based on the
74.5 applicable measure in clause (1);

74.6 (3) assign four stars to each covered property in the quartile of each property class with
74.7 the highest performance scores or lowest energy use intensities, as applicable;

74.8 (4) assign three stars to each covered property in the quartile of each property class with
74.9 the second highest performance scores or second lowest energy use intensities, as applicable;

74.10 (5) assign two stars to each covered property in the quartile of each property class with
74.11 the third highest performance scores or third lowest energy use intensities, as applicable;

74.12 (6) assign one star to each covered property in the quartile of each property class with
74.13 the lowest performance scores or highest energy use intensities, as applicable; and

74.14 (7) serve notice in writing to each owner identifying the number of stars assigned by the
74.15 commissioner to each of the owner's covered properties.

74.16 Subd. 10. **Data disclosure to public.** (a) The commissioner must post on the department's
74.17 website and update by December 1 annually the following information for the previous
74.18 calendar year:

74.19 (1) annual summary statistics on energy use for all covered properties;

74.20 (2) annual summary statistics on energy use for all covered properties, aggregated by
74.21 covered property class, as defined in subdivision 3, city, and county;

74.22 (3) the percentage of covered properties in each building class listed in subdivision 3
74.23 that are in compliance with the benchmarking requirements under subdivisions 4 to 7; and

74.24 (4) for each covered property, at a minimum, report the address, the total energy use,
74.25 energy use intensity, annual greenhouse gas emissions, and an energy performance score,
74.26 if available.

74.27 (b) The commissioner must post the information required under this subdivision for:

74.28 (1) all Class 1 properties by November 1, 2025, and by every November 1 thereafter;

74.29 and

74.30 (2) all Class 2 properties by November 1, 2026, and by every November 1 thereafter.

75.1 Subd. 11. **Coordination with other benchmarking programs.** (a) The commissioner
75.2 shall coordinate with any state agency or local government that implements its own energy
75.3 benchmarking program, including the coordination of reporting requirements.

75.4 (b) This section does not restrict a local government from adopting or implementing an
75.5 ordinance or resolution that imposes more stringent benchmarking requirements. For purposes
75.6 of this section, a local government benchmarking program is more stringent if it:

75.7 (1) requires buildings to be benchmarked that are not required to be benchmarked under
75.8 this section; or

75.9 (2) requires benchmarking of information that is not required to be benchmarked under
75.10 this section.

75.11 (c) Benchmarking program requirements of local governments must:

75.12 (1) be at least as comprehensive in scope and application as the program operated under
75.13 this section; and

75.14 (2) include annual enforcement of a penalty on covered properties that do not comply
75.15 with the local government's benchmarking ordinance.

75.16 (d) Local governments must notify the commissioner of the local government's existing
75.17 benchmarking ordinance requirements. Local governments must notify the commissioner
75.18 of new, changed, or revoked ordinance requirements, which when made by December 31
75.19 would apply to the benchmarking schedule for the following year.

75.20 (e) The commissioner shall make available for local governments who request it, all
75.21 benchmarking data for covered properties within the local government's jurisdiction by
75.22 December 1, annually.

75.23 Subd. 12. **Building performance disclosure to occupants.** The commissioner must
75.24 provide disclosure materials for public display within a building to building owners, such
75.25 that building owners can prominently display the performance of the building. The materials
75.26 must include the number of stars assigned to the building by the commissioner under
75.27 subdivision 9, paragraph (c), and relevant explanation of rating.

75.28 Subd. 13. **Notifications.** By March 1 each year, the commissioner must notify the owner
75.29 of each covered property required to benchmark for the previous calendar year of the
75.30 requirement to benchmark by June 1 of that year.

75.31 Subd. 14. **Program implementation.** The commissioner may contract with an
75.32 independent third party to implement any or all of the commissioner's duties required under

76.1 this section. To implement the benchmarking program, the commissioner shall assist building
76.2 owners to increase energy efficiency and reduce greenhouse gas emissions from their
76.3 buildings, including by providing outreach, training, and technical assistance to building
76.4 owners to help their buildings come into compliance with the benchmarking program.

76.5 Subd. 15. **Enforcement.** By June 15 each year, the commissioner must notify the owner
76.6 of each covered property required to comply with this section that has failed to comply that
76.7 the owner has until July 15 to come into compliance, unless the owner requests an extension,
76.8 in which case the owner has until August 15 to come into compliance. If an owner fails to
76.9 comply with the requirements of this section by July 15 and fails to request an extension
76.10 by that date, or is given an extension and fails to comply by August 15, the commissioner
76.11 may impose a civil fine of \$1,000 on the owner. The commissioner may by rule increase
76.12 the civil fine to adjust for inflation.

76.13 Subd. 16. **Recovery of expenses.** The commission shall allow a public utility to recover
76.14 reasonable and prudent expenses of implementing this section under section 216B.16,
76.15 subdivision 6b. The costs and benefits associated with implementing this section may, at
76.16 the discretion of the utility, be excluded from the calculation of net economic benefits for
76.17 purposes of calculating the financial incentive to the public utility under section 216B.16,
76.18 subdivision 6c. The energy and demand savings may, at the discretion of the public utility,
76.19 be applied toward the calculation of overall portfolio energy and demand savings for purposes
76.20 of determining progress toward annual goals under section 216B.241, subdivision 1c, and
76.21 in the financial incentive mechanism under section 216B.16, subdivision 6c.

76.22 **EFFECTIVE DATE.** This section is effective the day following final enactment, except
76.23 that subdivision 15 is effective June 15, 2026.

76.24 Sec. 29. Minnesota Statutes 2022, section 216C.375, subdivision 1, is amended to read:

76.25 Subdivision 1. **Definitions.** (a) For the purposes of this section and section 216C.376,
76.26 the following terms have the meanings given them.

76.27 (b) "Developer" means an entity that installs a solar energy system on a school building
76.28 that has been awarded a grant under this section.

76.29 (c) "Photovoltaic device" has the meaning given in section 216C.06, subdivision 16.

76.30 (d) "School" means: (1) a school that operates as part of an independent or special school
76.31 district; (2) a Tribal contract school; or ~~(2)~~ (3) a state college or university that is under the
76.32 jurisdiction of the Board of Trustees of the Minnesota State Colleges and Universities.

77.1 (e) "School district" means: (1) an independent or special school district; or (2) any other
77.2 public school district deemed appropriate by the commissioner, provided that at a minimum
77.3 the school owns the building and instruction for students occurs.

77.4 (f) "Solar energy system" means photovoltaic or solar thermal devices.

77.5 (g) "Solar thermal" has the meaning given to "qualifying solar thermal project" in section
77.6 216B.2411, subdivision 2, paragraph (d).

77.7 (h) "State colleges and universities" has the meaning given in section 136F.01, subdivision
77.8 4.

77.9 Sec. 30. Minnesota Statutes 2022, section 216C.375, subdivision 3, is amended to read:

77.10 Subd. 3. **Establishment of account.** (a) A solar for schools program account is
77.11 established in the special revenue fund. Money received from the general fund must be
77.12 transferred to the commissioner of commerce and credited to the account. The account
77.13 consists of money provided by law, donated, allocated, transferred, or otherwise provided
77.14 to the account. Earnings, including interest, dividends, and any other earnings arising from
77.15 the assets of the account, must be credited to the account.

77.16 (b) Money in the account is appropriated to the commissioner for the purposes of the
77.17 program under this section. Except as otherwise provided in this paragraph, money deposited
77.18 in the account remains in the account until expended. Any money that remains in the account
77.19 on June 30, ~~2027~~ 2034, cancels to the general fund.

77.20 Sec. 31. Minnesota Statutes 2022, section 216C.375, subdivision 10, is amended to read:

77.21 Subd. 10. **Application deadline.** ~~No~~ An application ~~may~~ must not be submitted under
77.22 this section after December 31, ~~2025~~ 2032.

77.23 Sec. 32. Minnesota Statutes 2022, section 216C.375, subdivision 11, is amended to read:

77.24 Subd. 11. **Reporting.** Beginning January 15, 2022, and each year thereafter until January
77.25 15, ~~2028~~ 2035, the commissioner must report to the chairs and ranking minority members
77.26 of the legislative committees with jurisdiction over energy regarding: (1) grants and amounts
77.27 awarded to schools under this section during the previous year; (2) financial assistance,
77.28 including amounts per award, provided to schools under section 216C.376 during the
77.29 previous year; and (3) any remaining balances available under this section and section
77.30 216C.376.

78.1 Sec. 33. **[216C.377] DISTRIBUTED ENERGY RESOURCES SYSTEM UPGRADE**
78.2 **PROGRAM.**

78.3 Subdivision 1. Definitions. (a) For purposes of this section, the following terms have
78.4 the meanings given.

78.5 (b) "Capacity constrained location" means a location on an electric utility's distribution
78.6 system that the utility has reasonably determined requires significant distribution or network
78.7 upgrades before additional distributed energy resources can interconnect.

78.8 (c) "DER Technical Planning Standard" means an engineering practice which limits the
78.9 total aggregate distributed energy resource capacity that may interconnect to a particular
78.10 location on the utility's distribution system.

78.11 (d) "Distributed energy resources" means distributed generation, as defined in section
78.12 216B.164, and energy storage systems, as defined in section 216B.2422.

78.13 (e) "Distribution upgrades" means the additions, modifications, and upgrades made to
78.14 an electric utility's distribution system to facilitate interconnection of distributed energy
78.15 resources.

78.16 (f) "Interconnection" means the process governed by section 216B.1611.

78.17 (g) "Net metered" has the meaning given in section 216B.164.

78.18 (h) "Network upgrades" means additions, modifications, and upgrades to the transmission
78.19 system required at or beyond the point at which the distributed energy resource interconnects
78.20 with an electric utility's distribution system to accommodate the interconnection of the
78.21 distributed energy resource with the electric utility's distribution system. Network upgrades
78.22 do not include distribution upgrades.

78.23 Subd. 2. Establishment; purpose. A distributed energy resources system upgrade
78.24 program is established in the Department of Commerce. The purpose of the program is to
78.25 provide funding to the utility subject to section 116C.779 to complete infrastructure
78.26 investments necessary to enable electricity customers to interconnect distributed energy
78.27 resources. The program must be designed to achieve the following goals to the maximum
78.28 extent feasible:

78.29 (1) make upgrades at capacity constrained locations on the utility's distribution system
78.30 that maximize the number and capacity of distributed energy resources projects with a
78.31 capacity of up to 40 kilowatts alternating current that can be interconnected sufficient to
78.32 serve projected demand;

79.1 (2) enable all distributed energy resources projects with a nameplate capacity of up to
79.2 40 kilowatts alternating current to be reviewed and approved by the utility within 43 business
79.3 days;

79.4 (3) minimize interconnection barriers for electricity customers seeking to construct net
79.5 metered facilities for on-site electricity use; and

79.6 (4) advance innovative solutions that can minimize the cost of distribution and network
79.7 upgrades required for interconnection, such as energy storage, control technologies, smart
79.8 inverters, distributed energy resources management systems, and other innovative
79.9 technologies and programs.

79.10 Subd. 3. **Required plan.** (a) By November 1, 2023, the utility subject to section 116C.779
79.11 must file a plan for the distributed energy resources system upgrade program with the
79.12 commissioner. The plan must contain at least:

79.13 (1) a description of how the utility proposes to use money in the distributed energy
79.14 resources system upgrade program account to upgrade its distribution system to maximize
79.15 the number and capacity of distributed energy resources that can be interconnected sufficient
79.16 to serve projected demand;

79.17 (2) the locations where the utility proposes to make investments under the program;

79.18 (3) the number and capacity of distributed energy resources projects the utility anticipates
79.19 will be able to interconnect as a result of the program;

79.20 (4) a plan for reporting on the program's outcomes; and

79.21 (5) any additional information required by the commissioner.

79.22 (b) The utility subject to section 116C.779 is prohibited from implementing the program
79.23 until the commissioner approves the plan submitted under this subdivision. The commissioner
79.24 must approve a plan under this subdivision that the commissioner determines is in the public
79.25 interest no later than March 31, 2024. Any proposed modifications to the plan approved
79.26 under this subdivision must be approved by the commissioner.

79.27 Subd. 4. **Project priorities.** In developing the plan required by subdivision 3, the utility
79.28 must prioritize making investments under this program:

79.29 (1) at capacity constrained locations on the distribution grid;

79.30 (2) in communities with demonstrated customer interest in distributed energy resources
79.31 as measured by anticipated, pending, and completed interconnection applications; and

79.32 (3) in communities with a climate action plan, clean energy goal, or policies that:

80.1 (i) seek to mitigate the impacts of climate change on the city; or

80.2 (ii) reduce the city's contributions to the causes of climate change.

80.3 Subd. 5. **Eligible costs.** The commissioner may pay the following reasonable costs of
80.4 the utility subject to section 116C.779 under a plan approved in accordance with subdivision
80.5 3 from money available in the distributed energy resources system upgrade program account:

80.6 (1) distribution upgrades and network upgrades;

80.7 (2) energy storage, control technologies such as a distributed energy resources
80.8 management system, or other innovative technology used to achieve the purpose of the
80.9 program established by this section;

80.10 (3) pilot programs operated by the utility to implement innovative technology solutions;
80.11 and

80.12 (4) costs incurred by the department to administer this section.

80.13 Subd. 6. **Capacity reserved.** The utility subject to section 116C.779 must reserve any
80.14 increase in the DER Technical Planning Standard made available by upgrades paid for under
80.15 this section for net metered facilities and distributed energy resources with a nameplate
80.16 capacity of up to 40 kilowatts alternating current. The commissioner may modify the
80.17 requirements of this subdivision when the commissioner finds that it is in the public interest.

80.18 Subd. 7. **Establishment of account.** A distributed energy resources system upgrade
80.19 program account is established in the special revenue fund. The account consists of money
80.20 provided by law, and any other money donated, allotted, transferred, or otherwise provided
80.21 to the account. Earnings, including interest, dividends, and any other earnings arising from
80.22 the assets of the account, must be credited to the account. Earnings remaining in the account
80.23 at the end of a fiscal year do not cancel to the general fund or renewable development
80.24 account but remain in the account until expended.

80.25 (b) Money in the account is appropriated to the commissioner for eligible expenditures
80.26 under this section.

80.27 Subd. 8. **Reporting of certain incidents.** The utility subject to section 116C.779 must
80.28 report to the commissioner within 60 days if any distributed energy resources project with
80.29 a capacity of up to 40 kilowatts alternating current is unable to interconnect due to safety,
80.30 reliability, or the cost of distribution or network upgrades required at a location for which
80.31 upgrade funding was provided under this program. The utility must make available to the
80.32 commissioner all engineering analysis, studies, and information related to any such instances.
80.33 The commissioner may modify or waive this requirement after December 31, 2025.

81.1 **Sec. 34. [216C.378] SOLAR GRANT PROGRAM; PUBLIC BUILDINGS.**

81.2 **Subdivision 1. Definitions.** (a) For the purposes of this section, the following terms have
81.3 the meanings given.

81.4 (b) "Developer" means an entity that applies for a grant on behalf of a public building
81.5 under this section to install a solar energy generating system on the public building.

81.6 (c) "Local unit of government" means:

81.7 (1) a county, statutory or home rule charter city, town, a municipal utility, or other local
81.8 government jurisdiction, excluding a school district eligible to receive financial assistance
81.9 under section 216C.375 or 216C.376; or

81.10 (2) a federally recognized Tribe in Minnesota.

81.11 (d) "Municipal electric utility" means a utility that provides electric service to retail
81.12 customers in Minnesota and is governed by a city council or a local utilities commission.

81.13 (e) "Cooperative electric association" means a cooperative association organized under
81.14 chapter 308A for the purpose of providing rural electrification at retail.

81.15 (f) "Public building" means:

81.16 (1) a building owned and operated by a local unit of government; or

81.17 (2) a building owned by a federally recognized Tribe in Minnesota whose primary
81.18 purpose is Tribal government operations.

81.19 (g) "Solar energy generating system" has the meaning given in section 216E.01,
81.20 subdivision 9a.

81.21 **Subd. 2. Establishment; purpose.** A solar on public buildings grant program is
81.22 established in the Department of Commerce. The purpose of the program is to provide grants
81.23 to stimulate the installation of solar energy generating systems on public buildings.

81.24 **Subd. 3. Establishment of account.** A solar on public buildings grant program account
81.25 is established in the special revenue fund. Any money received from state resources for the
81.26 purposes of this section must be transferred to the commissioner of commerce and credited
81.27 to the account. Earnings, including interest, dividends, and any other earnings arising from
81.28 the assets of the account, must be credited to the account. Earnings remaining in the account
81.29 at the end of a fiscal year do not cancel to the general fund or renewable development
81.30 account but remain in the account until expended. The commissioner must manage the
81.31 account.

82.1 Subd. 4. **Appropriation; expenditures.** Money in the account established under
82.2 subdivision 3 is appropriated to the commissioner for the purposes of this section and must
82.3 be used only:

82.4 (1) for grant awards made under this section; and

82.5 (2) to pay the reasonable costs of the department to administer this section.

82.6 Subd. 5. **Eligible system.** (a) A grant may be awarded to a local unit of government
82.7 under this section only if the solar energy generating system that is the subject of the grant:

82.8 (1) is installed on or adjacent to a public building that consumes the electricity generated
82.9 by the solar energy generating system, on property within the service territory of the utility
82.10 currently providing electric service to the public building; and

82.11 (2) has a capacity that does not exceed the lesser of 40 kilowatts or 120 percent of the
82.12 average annual electricity consumption of the public building, measured over the most
82.13 recent three calendar years, at which the solar energy generating system is installed.

82.14 (b) A public building that receives a rebate or other financial incentive under section
82.15 216B.241 for a solar energy generating system is eligible for a grant under this section for
82.16 the same solar energy generating system.

82.17 (c) Before filing an application for a grant under this section, a local unit of government
82.18 or public building that is served by a municipal electric utility or cooperative electric
82.19 association must inform the municipal electric utility or cooperative electric association of
82.20 the local unit of government's or public building's intention to do so.

82.21 Subd. 6. **Application process.** (a) The commissioner must issue a request for proposals
82.22 to utilities, local units of government, and developers who may wish to apply for a grant
82.23 under this section on behalf of a public building.

82.24 (b) A utility or developer must submit an application to the commissioner on behalf of
82.25 a public building on a form prescribed by the commissioner. The form must include, at a
82.26 minimum, the following information:

82.27 (1) the capacity of the proposed solar energy generating system and the amount of
82.28 electricity that is expected to be generated;

82.29 (2) the current energy demand of the public building on which the solar energy generating
82.30 system is to be installed, information regarding any distributed energy resource that currently
82.31 provides electricity to the public building, and the size of the public building's subscription
82.32 to a community solar garden, if applicable;

83.1 (3) information sufficient to estimate the energy and monetary savings that are projected
83.2 to result from installation of the solar energy generating system over the system's useful
83.3 life;

83.4 (4) the total cost to purchase and install the solar energy system and the solar energy
83.5 system's lifecycle cost, including removal and disposal at the end of the system's life;

83.6 (5) a copy of the proposed contract agreement between the local unit of government and
83.7 the utility or developer that includes provisions addressing responsibility for maintenance,
83.8 removal, and disposal of the solar energy generating system; and

83.9 (6) if the applicant is other than the utility providing electric service to the public building
83.10 at which the solar energy generating system is to be installed, a written statement or
83.11 memorandum of understanding from that utility that the proposed financing arrangement
83.12 presents no foreseeable issues that would prevent interconnection of the solar energy
83.13 generating system.

83.14 (c) The commissioner must administer an open application process under this section
83.15 at least twice annually.

83.16 (d) The commissioner must develop administrative procedures governing the application
83.17 and grant award process under this section.

83.18 Subd. 7. **Energy conservation review.** At the commissioner's request, a local unit of
83.19 government awarded a grant under this section must provide the commissioner with
83.20 information regarding energy conservation measures implemented at the public building at
83.21 which the solar energy generating system is to be installed. The commissioner may make
83.22 recommendations to the local unit of government regarding cost-effective conservation
83.23 measures the local unit of government can implement and may provide technical assistance
83.24 and direct the local unit of government to available financial assistance programs.

83.25 Subd. 8. **Technical assistance.** The commissioner must provide technical assistance to
83.26 local units of government to develop and execute projects under this section.

83.27 Subd. 9. **Grant payments.** A grant awarded by the commissioner from the account
83.28 established under subdivision 3 to a local unit of government must include the necessary
83.29 and reasonable costs associated with the purchase and installation of a solar energy generating
83.30 system. In determining the amount of a grant award, the commissioner shall take into
83.31 consideration the financial capacity of the local unit of government awarded the grant.

83.32 Subd. 10. **Application deadline.** An application must not be submitted under this section
83.33 after December 31, 2032.

84.1 Subd. 11. **Contractor conditions.** A contractor or subcontractor performing construction
84.2 work on a project supported by a grant awarded under this section: (1) must pay employees
84.3 working on the project no less than the prevailing wage rate, as defined in section 177.42;
84.4 and (2) is subject to the requirements and enforcement provisions of sections 177.27, 177.30,
84.5 177.32, 177.41 to 177.435, and 177.45.

84.6 Subd. 12. **Reporting.** Beginning January 15, 2024, and each year thereafter until January
84.7 15, 2027, the commissioner must report to the chairs and ranking minority members of the
84.8 legislative committees with jurisdiction over energy finance and policy regarding grants
84.9 and amounts awarded to local units of government under this section during the previous
84.10 year and any remaining balances available in the account established under this section.

84.11 **EFFECTIVE DATE.** This section is effective the day following final enactment.

84.12 Sec. 35. **[216C.379] ENERGY STORAGE INCENTIVE PROGRAM.**

84.13 (a) The electric utility subject to section 116C.779 must develop and operate a program
84.14 to provide a lump-sum grant to customers to reduce the cost of purchasing and installing
84.15 an on-site energy storage system, as defined in section 216B.2422, subdivision 1, paragraph
84.16 (f). No later than October 1, 2023, the utility subject to this section must file a plan with the
84.17 commissioner to operate the program. The utility must not operate the program until the
84.18 program is approved by the commissioner. Any change to an operating program must be
84.19 approved by the commissioner.

84.20 (b) In order to be eligible to receive a grant under this section, an energy storage system
84.21 must:

84.22 (1) have a capacity no greater than 50 kilowatt hours; and

84.23 (2) be located within the electric service area of the utility subject to this section.

84.24 (c) An owner of an energy storage system is eligible to receive a grant under this section
84.25 if:

84.26 (1) a solar energy generating system is operating at the same site as the proposed energy
84.27 storage system; or

84.28 (2) the owner has filed an application with the utility subject to this section to interconnect
84.29 a solar energy generating system at the same site as the proposed energy storage system.

84.30 (d) The commissioner must annually review and may adjust the amount of grants awarded
84.31 under this section, but must not increase the amount over that awarded in previous years

85.1 unless the commissioner demonstrates in writing that an upward adjustment is warranted
85.2 by market conditions.

85.3 (e) A customer who receives a grant under this section is eligible to receive financial
85.4 assistance under programs operated by the state or the utility for the solar energy generating
85.5 system operating in conjunction with the energy storage system.

85.6 (f) For the purposes of this section, "solar energy generating system" has the meaning
85.7 given in section 216E.01, subdivision 9a.

85.8 **EFFECTIVE DATE.** This section is effective the day following final enactment.

85.9 Sec. 36. **[216C.401] ELECTRIC VEHICLE REBATES.**

85.10 Subdivision 1. **Definitions.** (a) For purposes of this section and section 216C.402, the
85.11 terms in this subdivision have the meanings given.

85.12 (b) "Dealer" means a person, firm, or corporation that:

85.13 (1) possesses a new motor vehicle license under chapter 168;

85.14 (2) regularly engages in the business of manufacturing or selling, purchasing, and
85.15 generally dealing in new and unused motor vehicles;

85.16 (3) has an established place of business to sell, trade, and display new and unused motor
85.17 vehicles; and

85.18 (4) possesses new and unused motor vehicles to sell or trade the motor vehicles.

85.19 (c) "Electric vehicle" has the meaning given in section 169.011, subdivision 26a,
85.20 paragraphs (a) and (b), clause (3).

85.21 (d) "Eligible new electric vehicle" means an electric vehicle that meets the requirements
85.22 of subdivision 2, paragraph (a).

85.23 (e) "Eligible used electric vehicle" means an electric vehicle that meets the requirements
85.24 of subdivision 2, paragraph (b).

85.25 (f) "Lease" means a business transaction under which a dealer furnishes an eligible
85.26 electric vehicle to a person for a fee under a bailor-bailee relationship where no incidences
85.27 of ownership transferred, other than the right to use the vehicle for a term of at least 24
85.28 months.

85.29 (g) "Lessee" means a person who leases an eligible electric vehicle from a dealer.

86.1 (h) "New eligible electric vehicle" means an eligible electric vehicle that has not been
86.2 registered in any state.

86.3 Subd. 2. **Eligible vehicle.** (a) A new electric vehicle is eligible for a rebate under this
86.4 section if the electric vehicle:

86.5 (1) has a base manufacturer's suggested retail price that does not exceed \$60,000;

86.6 (2) has not been previously owned;

86.7 (3) has not been modified from the original manufacturer's specifications;

86.8 (4) is purchased or leased from a dealer or directly from an original equipment
86.9 manufacturer that does not have licensed franchised dealers in Minnesota; and

86.10 (5) is purchased or leased after the effective date of this section for use by the purchaser
86.11 and not for resale.

86.12 (b) A used electric vehicle is eligible for an electric vehicle rebate under this section if
86.13 the electric vehicle had a base manufacturer's suggested retail price that did not exceed
86.14 \$60,000 when purchased, has previously been owned in Minnesota or another state, and
86.15 has not been modified from the original manufacturer's specifications.

86.16 (c) For purposes of paragraph (a), a vehicle has not been previously owned if it:

86.17 (1) is used by a dealer as a floor model or test drive vehicle and has not been previously
86.18 registered in Minnesota or any other state prior to purchase or lease; or

86.19 (2) is returned to a dealer by a purchaser or lessee:

86.20 (i) within two weeks of purchase or leasing or when a purchaser's or lessee's financing
86.21 for the electric vehicle has been disapproved; or

86.22 (ii) before the purchaser or lessee takes delivery, even if the electric vehicle is registered
86.23 in Minnesota.

86.24 Subd. 3. **Eligible purchaser or lessee.** A person who purchases or leases an eligible
86.25 new or used electric vehicle is eligible for a rebate under this section if the purchaser or
86.26 lessee:

86.27 (1) is one of the following:

86.28 (i) a resident of Minnesota, as defined in section 290.01, subdivision 7, paragraph (a),
86.29 when the electric vehicle is purchased or leased;

86.30 (ii) a business that has a valid address in Minnesota from which business is conducted;

87.1 (iii) a nonprofit corporation incorporated under chapter 317A; or

87.2 (iv) a political subdivision of the state;

87.3 (2) has not received a rebate or tax credit for the purchase or lease of an electric vehicle
87.4 from the state of Minnesota; and

87.5 (3) registers the electric vehicle in Minnesota.

87.6 Subd. 4. **Rebate amounts.** (a) A \$2,500 rebate may be issued under this section to an
87.7 eligible purchaser to purchase or lease an eligible new electric vehicle.

87.8 (b) A \$500 rebate may be issued under this section to an eligible purchaser or lessee of
87.9 an eligible used electric vehicle.

87.10 (c) A purchaser or lessee whose household income at the time the eligible electric vehicle
87.11 is purchased or leased is less than 150 percent of the current federal poverty guidelines
87.12 established by the Department of Health and Human Services is eligible for a rebate of \$500
87.13 for the purchase or lease of an eligible new electric vehicle and \$100 for the purchase or
87.14 lease of an eligible used electric vehicle. The rebate under this paragraph is in addition to
87.15 the rebate under paragraph (a) or (b), as applicable.

87.16 Subd. 5. **Limits.** The number of rebates allowed under this section is limited to:

87.17 (1) no more than one rebate per resident; and

87.18 (2) no more than one rebate per business entity per year.

87.19 Subd. 6. **Program administration.** (a) A rebate application under this section must be
87.20 filed with the commissioner on a form developed by the commissioner.

87.21 (b) The commissioner must develop administrative procedures governing the application
87.22 and rebate award process. Applications must be reviewed and rebates awarded by the
87.23 commissioner on a first-come, first-served basis.

87.24 (c) The commissioner must, in coordination with dealers and other state agencies as
87.25 applicable, develop a procedure to allow a rebate to be used by an eligible purchaser or
87.26 lessee at the point of sale so that the rebate amount may be subtracted from the selling price
87.27 of the eligible electric vehicle.

87.28 (d) The commissioner may reduce the rebate amounts provided under subdivision 4 or
87.29 restrict program eligibility based on the availability of money to award rebates or other
87.30 factors.

87.31 Subd. 7. **Expiration.** This section expires June 30, 2027.

88.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.

88.2 Sec. 37. **[216C.402] GRANT PROGRAM; MANUFACTURERS' CERTIFICATION**
88.3 **OF AUTO DEALERS TO SELL ELECTRIC VEHICLES.**

88.4 Subdivision 1. **Establishment.** A grant program is established in the department to
88.5 award grants to dealers to offset the costs of obtaining the necessary training and equipment
88.6 that is required by electric vehicle manufacturers in order to certify a dealer to sell electric
88.7 vehicles produced by the manufacturer.

88.8 Subd. 2. **Application.** An application for a grant under this section must be made to the
88.9 commissioner on a form developed by the commissioner. The commissioner must develop
88.10 administrative procedures and processes to review applications and award grants under this
88.11 section.

88.12 Subd. 3. **Eligible applicants.** An applicant for a grant awarded under this section must
88.13 be a dealer of new motor vehicles licensed under chapter 168 operating under a franchise
88.14 from a manufacturer of electric vehicles.

88.15 Subd. 4. **Eligible expenditures.** Appropriations made to support the activities of this
88.16 section must be used only to reimburse:

88.17 (1) a dealer for the reasonable costs to obtain training and certification for the dealer's
88.18 employees from the electric vehicle manufacturer that awarded the franchise to the dealer;

88.19 (2) a dealer for the reasonable costs to purchase and install equipment to service and
88.20 repair electric vehicles, as required by the electric vehicle manufacturer that awarded the
88.21 franchise to the dealer; and

88.22 (3) the department for the reasonable costs to administer this section.

88.23 Subd. 5. **Limitation.** A grant awarded under this section to a single dealer must not
88.24 exceed \$40,000.

88.25 **EFFECTIVE DATE.** This section is effective the day following final enactment.

88.26 Sec. 38. **[216C.441] MINNESOTA CLIMATE INNOVATION FINANCE**
88.27 **AUTHORITY.**

88.28 Subdivision 1. **Establishment; purpose.** (a) There is created a public body corporate
88.29 and politic to be known as the "Minnesota Climate Innovation Finance Authority," whose
88.30 purpose is to accelerate the deployment of clean energy projects, greenhouse gas emissions
88.31 reduction projects, and other qualified projects through the strategic deployment of public

89.1 funds in the form of grants, loans, credit enhancements, and other financing mechanisms
89.2 in order to leverage existing public and private sources of capital to reduce the upfront and
89.3 total cost of qualified projects and to overcome financial barriers to project adoption,
89.4 especially in low-income communities.

89.5 (b) The goals of the authority include but are not limited to:

89.6 (1) reducing Minnesota's contributions to climate change by accelerating the deployment
89.7 of clean energy projects;

89.8 (2) ensuring that all Minnesotans share the benefits of clean and renewable energy and
89.9 the opportunity to fully participate in the clean energy economy by promoting:

89.10 (i) the creation of clean energy jobs for Minnesota workers, particularly in environmental
89.11 justice communities and communities in which fossil fuel electric generating plants are
89.12 retiring; and

89.13 (ii) the principles of environmental justice in the authority's operations and funding
89.14 decisions; and

89.15 (3) maintaining energy reliability while reducing the economic burden of energy costs,
89.16 especially on low-income households.

89.17 Subd. 2. **Definitions.** (a) For the purposes of this section, the following terms have the
89.18 meanings given.

89.19 (b) "Authority" means the Minnesota Climate Innovation Finance Authority.

89.20 (c) "Board" means the Minnesota Climate Innovation Finance Authority's board of
89.21 directors established in subdivision 10.

89.22 (d) "Clean energy project" has the meaning given to "qualified project" in paragraph
89.23 (m), clauses (1) to (7).

89.24 (e) "Community navigator" means an organization that works to facilitate access to clean
89.25 energy project financing by community groups.

89.26 (f) "Credit enhancement" means a pool of capital set aside to cover potential losses on
89.27 loans and other investments made by financing entities. Credit enhancement includes but
89.28 is not limited to loan loss reserves and loan guarantees.

89.29 (g) "Energy storage system" has the meaning given in section 216B.2422, subdivision
89.30 1, paragraph (f).

89.31 (h) "Environmental justice" means that:

90.1 (1) communities of color, Indigenous communities, and low-income communities have
90.2 a healthy environment and are treated fairly when environmental statutes, rules, and policies
90.3 are developed, adopted, implemented, and enforced; and

90.4 (2) in all decisions that have the potential to affect the environment of an environmental
90.5 justice community or the public health of an environmental justice community's residents,
90.6 due consideration is given to the history of the area's and the area's residents' cumulative
90.7 exposure to pollutants and to any current socioeconomic conditions that increase the physical
90.8 sensitivity of the area's residents to additional exposure to pollutants.

90.9 (i) "Environmental justice community" means a community in Minnesota that, based
90.10 on the most recent data published by the United States Census Bureau, meets one or more
90.11 of the following criteria:

90.12 (1) 40 percent or more of the community's total population is nonwhite;

90.13 (2) 35 percent or more of households in the community have an income that is at or
90.14 below 200 percent of the federal poverty level;

90.15 (3) 40 percent or more of the community's residents over the age of five have limited
90.16 English proficiency; or

90.17 (4) the community is located within Indian country, as defined in United States Code,
90.18 title 18, section 1151.

90.19 (j) "Greenhouse gas emissions" means emissions of carbon dioxide, methane, nitrous
90.20 oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride emitted by
90.21 anthropogenic sources.

90.22 (k) "Loan loss reserve" means a pool of capital set aside to reimburse a private lender
90.23 if a customer defaults on a loan, up to an agreed-upon percentage of loans originated by the
90.24 private lender.

90.25 (l) "Microgrid system" means an electrical grid that:

90.26 (1) serves a discrete geographical area from distributed energy resources; and

90.27 (2) can operate independently from the central electric grid on a temporary basis.

90.28 (m) "Project labor agreement" means a prehire collective bargaining agreement with a
90.29 council of building and construction trades labor organizations, prohibiting strikes, lockouts,
90.30 and similar disruptions, and providing for a binding procedure to resolve labor disputes on
90.31 the project.

91.1 (n) "Qualified project" means a project, technology, product, service, or measure
91.2 promoting energy efficiency, clean energy, electrification, or water conservation and quality
91.3 that:

91.4 (1) substantially reduces greenhouse gas emissions;

91.5 (2) reduces energy use without diminishing the level of service;

91.6 (3) increases the deployment of renewable energy projects, energy storage systems,
91.7 district heating, smart grid technologies, or microgrid systems;

91.8 (4) replaces existing fossil-fuel-based technology with an end-use electric technology;

91.9 (5) supports the development and deployment of electric vehicle charging stations and
91.10 associated infrastructure, electric buses, and electric fleet vehicles;

91.11 (6) reduces water use or protects, restores, or preserves the quality of surface waters; or

91.12 (7) incentivizes customers to shift demand in response to changes in the price of electricity
91.13 or when system reliability is not jeopardized.

91.14 (o) "Renewable energy" has the meaning given in section 216B.1691, subdivision 1,
91.15 paragraph (c), clauses (1), (2), and (4), and includes fuel cells generated from renewable
91.16 energy.

91.17 (p) "Securitization" means the conversion of an asset composed of individual loans into
91.18 marketable securities.

91.19 (q) "Smart grid" means a digital technology that:

91.20 (1) allows for two-way communication between a utility and the utility's customers; and

91.21 (2) enables the utility to control power flow and load in real time.

91.22 Subd. 3. **General powers.** (a) For the purpose of exercising the specific powers granted
91.23 in this section, the authority has the general powers granted in this subdivision.

91.24 (b) The authority may:

91.25 (1) hire an executive director and staff to conduct the authority's operations;

91.26 (2) sue and be sued;

91.27 (3) have a seal and alter the seal;

91.28 (4) acquire, hold, lease, manage, and dispose of real or personal property for the
91.29 authority's corporate purposes;

- 92.1 (5) enter into agreements, including cooperative financing agreements, contracts, or
92.2 other transactions, with any federal or state agency, county, local unit of government,
92.3 regional development commission, person, domestic or foreign partnership, corporation,
92.4 association, or organization;
- 92.5 (6) acquire real property, or an interest therein, in the authority's own name, by purchase
92.6 , where acquisition is necessary or appropriate;
- 92.7 (7) provide general technical and consultative services related to the authority's purpose;
- 92.8 (8) promote research and development in matters related to the authority's purpose;
- 92.9 (9) analyze greenhouse gas emissions reduction project financing needs in the state and
92.10 recommend measures to alleviate any shortage of financing capacity;
- 92.11 (10) contract with any governmental or private agency or organization, legal counsel,
92.12 financial advisor, investment banker, or others to assist in the exercise of the authority's
92.13 powers;
- 92.14 (11) enter into agreements with qualified lenders or others insuring or guaranteeing to
92.15 the state the payment of qualified loans or other financing instruments; and
- 92.16 (12) accept on behalf of the state any gift, grant, or interest in money or personal property
92.17 tendered to the state for any purpose pertaining to the authority's activities.
- 92.18 Subd. 4. **Authority duties.** (a) The authority must:
- 92.19 (1) serve as a financial resource to reduce the upfront and total costs of implementing
92.20 qualified projects;
- 92.21 (2) ensure that all financed projects reduce greenhouse gas emissions;
- 92.22 (3) ensure that financing terms and conditions offered are well-suited to qualified projects;
- 92.23 (4) strategically prioritize the use of the authority's funds to leverage private investment
92.24 in qualified projects, with the aim of achieving a high ratio of private to public money
92.25 invested through funding mechanisms that support, enhance, and complement private lending
92.26 and investment;
- 92.27 (5) coordinate with existing federal, state, local, utility, and other programs to ensure
92.28 that the authority's resources are being used most effectively to add to and complement
92.29 those programs;
- 92.30 (6) stimulate demand for qualified projects by:

- 93.1 (i) contracting with the department's Energy Information Center and community
93.2 navigators to provide information to project participants about federal, state, local, utility,
93.3 and other authority financial assistance for qualifying projects, and technical information
93.4 on energy conservation and renewable energy measures;
- 93.5 (ii) forming partnerships with contractors and informing contractors about the authority's
93.6 financing programs;
- 93.7 (iii) developing innovative marketing strategies to stimulate project owner interest,
93.8 especially in underserved communities; and
- 93.9 (iv) incentivizing financing entities to increase activity in underserved markets;
- 93.10 (7) finance projects in all regions of the state;
- 93.11 (8) develop participant eligibility standards and other terms and conditions for financial
93.12 support provided by the authority;
- 93.13 (9) develop and administer:
- 93.14 (i) policies to collect reasonable fees for authority services; and
- 93.15 (ii) risk management activities to support ongoing authority activities;
- 93.16 (10) develop consumer protection standards governing the authority's investments to
93.17 ensure that financial support is provided responsibly and transparently and is in the financial
93.18 interest of participating project owners;
- 93.19 (11) develop methods to accurately measure the impact of the authority's activities,
93.20 particularly on low-income communities and on greenhouse gas emissions reductions;
- 93.21 (12) hire an executive director and sufficient staff with the appropriate skills and
93.22 qualifications to carry out the authority's programs, making an affirmative effort to recruit
93.23 and hire a director and staff who are from, or share the interests of, the communities the
93.24 authority must serve;
- 93.25 (13) apply for, either as a direct or subgrantee applicant, and accept Greenhouse Gas
93.26 Reduction Fund grants authorized by the federal Clean Air Act, title 42, United States Code,
93.27 section 7434(a). If the application deadlines for these grants are earlier than is practical for
93.28 the authority to meet, the commissioner shall apply on behalf of the authority. In all cases,
93.29 applications for these funds by or on behalf of the authority must be coordinated with all
93.30 known Minnesota applicants; and
- 93.31 (14) ensure that authority contracts with all third-party administrators, contractors, and
93.32 subcontractors contain required covenants, representations and warranties specifying that

94.1 such third parties are agents of the authority, and that all acts of such third parties are
94.2 considered acts of the authority, provided that the act is within the contracted scope of work.

94.3 (b) The authority may:

94.4 (1) employ credit enhancement mechanisms that reduce financial risk for financing
94.5 entities by providing assurance that a limited portion of a loan or other financial instrument
94.6 is assumed by the authority via a loan loss reserve, loan guarantee, or other mechanism;

94.7 (2) co-invest in a qualified project by providing senior or subordinated debt, equity, or
94.8 other mechanisms in conjunction with other investment, co-lending, or financing;

94.9 (3) aggregate small and geographically dispersed qualified projects in order to diversify
94.10 risk or secure additional private investment through securitization or similar resale of the
94.11 authority's interest in a completed qualified project;

94.12 (4) expend up to 25 percent of funds appropriated to the authority for startup purposes,
94.13 which may be used for financing programs and project investments authorized under this
94.14 section, prior to adoption of the strategic plan required under subdivision 7 and the investment
94.15 strategy under subdivision 8; and

94.16 (5) require a specific project to agree to implement a project labor agreement as a
94.17 condition of receiving financing from the authority.

94.18 Subd. 5. **Underserved market analysis.** (a) Before developing a financing program,
94.19 the authority must conduct an analysis of the financial market the authority is considering
94.20 entering in order to determine the extent to which the market is underserved and to ensure
94.21 that the authority's activities supplement, and do not duplicate or supplant, the efforts of
94.22 financing entities currently serving the market. The analysis must address the nature and
94.23 extent of any barriers or gaps that may be preventing financing entities from adequately
94.24 serving the market, and must examine present and projected future efforts of existing
94.25 financing entities, federal, state, and local governments, and of utilities and others to serve
94.26 the market.

94.27 (b) In determining whether the authority should enter a market, the authority must
94.28 consider:

94.29 (1) whether serving the market advances the authority's policy goals;

94.30 (2) the extent to which the market is currently underserved;

94.31 (3) the unique tools the authority would deploy to overcome existing market barriers or
94.32 gaps;

95.1 (4) how the authority would market the program to potential participants; and

95.2 (5) potential financing partners and the role financing partners would play in
95.3 complementing the authority's activities.

95.4 (c) Before providing any direct loans to residential borrowers, the authority must issue
95.5 a request for information to existing known financing entities, specifying the market need
95.6 and the authority's goals in meeting the underserved market segment, and soliciting each
95.7 financing entity's:

95.8 (1) current financing offerings for that specific market;

95.9 (2) prior efforts to meet that specific market; and

95.10 (3) plans and capabilities to serve that specific market.

95.11 (d) The authority may only provide direct loans to residential borrowers if the authority
95.12 certifies that no financing entity is currently able to meet the specific underserved market
95.13 need and the authority's goals, and that the authority's entry into the market will not supplant
95.14 or duplicate any existing financing activities in that specific market.

95.15 **Subd. 6. Authority lending practices; labor and consumer protection standards. (a)**
95.16 **In determining the projects in which the authority will participate, the authority must give**
95.17 **preference to projects that:**

95.18 (1) maximize the creation of high-quality employment and apprenticeship opportunities
95.19 for local workers, consistent with the public interest, especially workers from environmental
95.20 justice communities, labor organizations, and from Minnesota communities hosting retired
95.21 or retiring electric generation facilities, including workers previously employed at retiring
95.22 facilities;

95.23 (2) utilize energy technologies produced domestically that received an advanced
95.24 manufacturing tax credit under section 45X of the Internal Revenue Code, as allowed under
95.25 the federal Inflation Reduction Act of 2022, Public Law 117-169;

95.26 (3) certify, for all contractors and subcontractors, that the rights of workers to organize
95.27 and unionize are recognized; and

95.28 (4) agree to implement a project labor agreement.

95.29 (b) The authority must require, for all projects for which the authority provides financing,
95.30 that:

95.31 (1) if the budget is \$100,000 or more, all contractors and subcontractors:

96.1 (i) must pay no less than the prevailing wage rate, as defined in section 177.42,
96.2 subdivision 6; and

96.3 (ii) are subject to the requirements and enforcement provisions under sections 177.27,
96.4 177.30, 177.32, 177.41 to 177.43, and 177.45, including the posting of prevailing wage
96.5 rates, prevailing hours of labor and hourly basic rates of pay for all trades on the project in
96.6 at least one conspicuous location at the project site;

96.7 (2) financing is not offered without first ensuring that the participants meet the authority's
96.8 underwriting criteria; and

96.9 (3) any loan made to a homeowner for a project on the homeowner's residence complies
96.10 with section 47.59 and the following federal laws:

96.11 (i) the Truth in Lending Act, United States Code, title 15, section 1601 et seq.;

96.12 (ii) the Fair Credit Reporting Act, United States Code, title 15, section 1681;

96.13 (iii) the Equal Credit Opportunity Act, United States Code, title 15, section 1691 et seq.;

96.14 and

96.15 (iv) the Fair Debt Collection Practices Act, United States Code, title 15, section 1692.

96.16 (c) The authority and any third-party administrator, contractor, subcontractor, or agent
96.17 that conducts lending, financing, investment, marketing, administration, servicing, or
96.18 installation of measures in connection with a qualified project financed in whole or in part
96.19 with authority funds is subject to sections 325D.43 to 325D.48; 325F.67 to 325F.71; 325G.06
96.20 to 325G.14; 325G.29 to 325G.37; and 332.37.

96.21 (d) For the purposes of this section, "local workers" means Minnesota residents who
96.22 permanently reside within 150 miles of the location of a proposed project in which the
96.23 authority is considering to participate.

96.24 Subd. 7. **Strategic plan.** (a) By December 15, 2024, and each December 15 in
96.25 even-numbered years thereafter, the authority must develop and adopt a strategic plan that
96.26 prioritizes the authority's activities over the next two years. A strategic plan must:

96.27 (1) identify targeted underserved markets for qualified projects in Minnesota;

96.28 (2) develop specific programs to overcome market impediments through access to
96.29 authority financing and technical assistance; and

96.30 (3) develop outreach and marketing strategies designed to make potential project
96.31 developers, participants, and communities aware of financing and technical assistance
96.32 available from the authority, including the deployment of community navigators.

97.1 (b) Elements of the strategic plan must be informed by the authority's analysis of the
97.2 market for qualified projects, and by the authority's experience under the previous strategic
97.3 plan, including the degree to which performance targets were or were not achieved by each
97.4 financing program. In addition, the authority must actively seek input regarding activities
97.5 that should be included in the strategic plan from stakeholders, environmental justice
97.6 communities, the general public, and participants, including via meetings required under
97.7 subdivision 9.

97.8 (c) The authority must establish annual targets in a strategic plan for each financing
97.9 program regarding the number of projects, level of authority investments, greenhouse gas
97.10 emissions reductions, and installed generating capacity or energy savings the authority
97.11 hopes to achieve, including separate targets for authority activities undertaken in
97.12 environmental justice communities.

97.13 (d) The authority's targets and strategies must be designed to ensure that no less than 40
97.14 percent of the direct benefits of authority activities flow to environmental justice communities
97.15 as defined under subdivision 2, by the United States Department of Energy, or as modified
97.16 by the department.

97.17 Subd. 8. **Investment strategy; content; process.** (a) No later than December 15, 2024,
97.18 and every four years thereafter, the authority must adopt a long-term investment strategy
97.19 to ensure the authority's paramount goal to reduce greenhouse gas emissions is reflected in
97.20 all of the authority's operations. The investment strategy must address:

97.21 (1) the types of qualified projects the authority should focus on;

97.22 (2) gaps in current qualified project financing that present the greatest opportunities for
97.23 successful action by the authority;

97.24 (3) how the authority can best position itself to maximize its impact without displacing,
97.25 subsidizing, or assuming risk that should be shared with financing entities;

97.26 (4) financing tools that will be most effective in achieving the authority's goals;

97.27 (5) partnerships the authority should establish with other organizations to increase the
97.28 likelihood of success; and

97.29 (6) how values of equity, environmental justice, and geographic balance can be integrated
97.30 into all investment operations of the authority.

97.31 (b) In developing an investment strategy, the authority must consult, at a minimum, with
97.32 similar organizations in other states, lending authorities, state agencies, utilities,

98.1 environmental and energy policy nonprofits, labor organizations, and other organizations
98.2 that can provide valuable advice on the authority's activities.

98.3 (c) The long-term investment strategy must contain provisions ensuring that:

98.4 (1) authority investments are not made solely to reduce private risk; and

98.5 (2) private financing entities do not unilaterally control the terms of investments to which
98.6 the authority is a party.

98.7 (d) The board must submit a draft long-term investment strategy for comment to each
98.8 of the groups and individuals the board consults under paragraph (b) and to the chairs and
98.9 ranking minority members of the senate and house of representatives committees with
98.10 primary jurisdiction over energy finance and policy, and must post the draft strategy on the
98.11 authority's website. The authority must accept written comments on the draft strategy for
98.12 at least 30 days and must consider the comments in preparing the final long-term investment
98.13 strategy.

98.14 Subd. 9. **Public communications and outreach.** The authority must:

98.15 (1) maintain a public website that provides information about the authority's operations,
98.16 current financing programs, and practices, including rates, terms, and conditions; the number
98.17 and amount of investments by project type; the number of jobs created; the financing
98.18 application process; and other information;

98.19 (2) periodically issue an electronic newsletter to stakeholders and the public containing
98.20 information on the authority's products, programs, and services and key authority events
98.21 and decisions; and

98.22 (3) hold quarterly meetings accessible online to update the general public on the
98.23 authority's activities, report progress being made in regard to the authority's strategic plan
98.24 and long-term investment strategy, and invite audience questions regarding authority
98.25 programs.

98.26 Subd. 10. **Board of directors.** (a) The Minnesota Climate Innovation Finance Authority
98.27 Board of Directors shall consist of the following 11 members:

98.28 (1) the commissioner of commerce, or the commissioner's designee;

98.29 (2) the commissioner of labor and industry, or the commissioner's designee;

98.30 (3) the commissioner of the Minnesota Pollution Control Agency, or the commissioner's
98.31 designee;

- 99.1 (4) the commissioner of employment and economic development, or the commissioner's
99.2 designee;
- 99.3 (5) the chair of the Minnesota Indian Affairs Council, or the chair's designee; and
- 99.4 (6) six additional members appointed by the governor, as follows:
- 99.5 (i) one member, appointed after the governor consults with labor organizations in the
99.6 state, must be a representative of a labor union with experience working on clean energy
99.7 projects;
- 99.8 (ii) one member with expertise in the impact of climate change on Minnesota
99.9 communities, particularly low-income communities;
- 99.10 (iii) one member with expertise in financing projects at a community bank, credit union,
99.11 community development institution, or local government;
- 99.12 (iv) one member with expertise in sustainable development and energy conservation;
- 99.13 (v) one member with expertise in environmental justice; and
- 99.14 (vi) one member with expertise in investment fund management or financing and
99.15 deploying clean energy technologies.
- 99.16 (b) At least two members appointed to the board must permanently reside outside the
99.17 metropolitan area, as defined in section 473.121, subdivision 2. The board must collectively
99.18 reflect the geographic and ethnic diversity of the state.
- 99.19 (c) Board members appointed under paragraph (a), clause (6), shall serve a term of four
99.20 years.
- 99.21 (d) Members appointed to the board must:
- 99.22 (1) provide evidence of a commitment to the authority's purposes and goals; and
- 99.23 (2) not hold any personal or professional conflicts of interest related to the authority's
99.24 activities, including with respect to the member's financial investments and employment or
99.25 the financial investments and employment of the member's immediate family members.
- 99.26 (e) The authority shall contract with the department to provide administrative and
99.27 technical services to the board and to prospective borrowers, especially those serving or
99.28 located in environmental justice communities.
- 99.29 (f) Compensation of board members, removal of members, and filling of vacancies are
99.30 governed by the provisions of section 15.0575.
- 99.31 (g) Board members may be reappointed for up to two full terms.

100.1 (h) A majority of board members, excluding vacancies, constitutes a quorum for the
100.2 purpose of conducting business and exercising powers, and for all other purposes. Action
100.3 may be taken by the authority upon a vote of a majority of the quorum present.

100.4 (i) Board members and officers are not personally liable, either jointly or severally, for
100.5 any debt or obligation created or incurred by the authority.

100.6 Subd. 11. **Report; audit.** Beginning February 1, 2024, the authority must annually
100.7 submit a comprehensive report on the authority's activities during the previous year to the
100.8 governor and the chairs and ranking minority members of the legislative committees with
100.9 primary jurisdiction over energy policy. The report must contain, at a minimum, information
100.10 on:

100.11 (1) the amount of authority capital invested, by project type;

100.12 (2) the amount of private and public capital leveraged by authority investments, by
100.13 project type;

100.14 (3) the number of qualified projects supported, by project type and location within
100.15 Minnesota, including in environmental justice communities;

100.16 (4) the estimated number of jobs created for local workers and nonlocal workers, the
100.17 ratio of projects subject to and exempt from prevailing wage requirements under subdivision
100.18 6, paragraph (b), and tax revenue generated as a result of the authority's activities;

100.19 (5) estimated reductions in greenhouse gas emissions resulting from the authority's
100.20 activities;

100.21 (6) the number of clean energy projects financed in low- and moderate-income
100.22 households;

100.23 (7) a narrative describing the progress made toward the authority's equity, social, and
100.24 labor standards goals; and

100.25 (8) a financial audit conducted by an independent party.

100.26 **EFFECTIVE DATE.** This section is effective the day following final enactment.

100.27 Sec. 39. **[216C.45] RESIDENTIAL HEAT PUMP REBATE PROGRAM.**

100.28 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
100.29 the meanings given.

100.30 (b) "Eligible applicant" means a person who provides evidence to the commissioner's
100.31 satisfaction demonstrating that the person has received or has applied for a heat pump rebate

101.1 available from the federal Department of Energy under the Inflation Reduction Act of 2022,
101.2 Public Law 117-189.

101.3 (c) "Heat pump" means a cold climate rated air-source heat pump composed of (1) a
101.4 mechanism that heats and cools indoor air by transferring heat from outdoor or indoor air
101.5 using a fan, (2) a refrigerant-filled heat exchanger, and (3) an inverter-driven compressor
101.6 that varies the pressure of the refrigerant to warm or cool the refrigerant vapor.

101.7 Subd. 2. **Establishment.** A residential heat pump rebate program is established in the
101.8 Department of Commerce to provide financial assistance to eligible applicants that purchase
101.9 and install a heat pump in the applicant's Minnesota residence.

101.10 Subd. 3. **Application.** (a) An application for a rebate under this section must be made
101.11 to the commissioner on a form developed by the commissioner. The application must be
101.12 accompanied by documentation, as required by the commissioner, demonstrating that:

101.13 (1) the applicant is an eligible applicant;

101.14 (2) the applicant owns the Minnesota residence in which the heat pump is to be installed;

101.15 (3) the applicant has had an energy audit conducted of the residence in which the heat
101.16 pump is to be installed within the last 18 months by a person with a Building Analyst
101.17 Technician certification issued by the Building Performance Institute, Inc., or an equivalent
101.18 certification, as determined by the commissioner;

101.19 (4) either:

101.20 (i) the applicant has installed in the applicant's residence, by a contractor with an Air
101.21 Leakage Control Installer certification issued by the Building Performance Institute, Inc.,
101.22 or an equivalent certification, as determined by the commissioner, the amount of insulation
101.23 and the air sealing measures recommended by the auditor; or

101.24 (ii) the auditor has otherwise determined that the amount of insulation and air sealing
101.25 measures in the residence are sufficient to enable effective heat pump performance;

101.26 (5) the applicant has purchased a heat pump of the capacity recommended by the auditor
101.27 or contractor, and has had the heat pump installed by a contractor with sufficient training
101.28 and experience in installing heat pumps, as determined by the commissioner; and

101.29 (6) the total cost to purchase and install the heat pump in the applicant's residence.

101.30 (b) The commissioner must develop administrative procedures governing the application
101.31 and rebate award processes.

102.1 Subd. 4. **Rebate amount.** A rebate awarded under this section must not exceed the lesser
102.2 of:

102.3 (1) \$4,000; or

102.4 (2) the total cost to purchase and install the heat pump in an eligible applicant's residence
102.5 net of the rebate amount received for the heat pump from the federal Department of Energy
102.6 under the Inflation Reduction Act of 2022, Public Law 117-189.

102.7 Subd. 5. **Assisting applicants.** The commissioner must issue a request for proposal
102.8 seeking an entity to serve as an energy coordinator to interact directly with applicants and
102.9 potential applicants to:

102.10 (1) explain the technical aspects of heat pumps, energy audits, and energy conservation
102.11 measures, and the energy and financial savings that can result from their implementation;

102.12 (2) identify federal, state, and utility programs available to homeowners to reduce the
102.13 costs of energy audits, energy conservation, and heat pumps;

102.14 (3) explain the requirements and scheduling of the application process;

102.15 (4) provide access to certified contractors who can perform energy audits, install
102.16 insulation and air sealing measures, and install heat pumps; and

102.17 (5) conduct outreach to make potential applicants aware of the program.

102.18 Subd. 6. **Contractor training and support.** The commissioner must issue a request for
102.19 proposal seeking an entity to develop and organize programs to train contractors with respect
102.20 to the technical aspects and installation of heat pumps in residences. The training curriculum
102.21 must be at a level sufficient to provide contractors who complete training with the knowledge
102.22 and skills necessary to install heat pumps to industry best practice standards, as determined
102.23 by the commissioner. Training programs must: (1) be accessible in all regions of the state;
102.24 and (2) provide mentoring and ongoing support, including continuing education and financial
102.25 assistance, to trainees.

102.26 **EFFECTIVE DATE.** This section is effective the day following final enactment.

102.27 Sec. 40. **[216C.46] RESIDENTIAL ELECTRIC PANEL UPGRADE GRANT**
102.28 **PROGRAM.**

102.29 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
102.30 the meanings given.

103.1 (b) "Area median income" means the median income of the geographic area in which a
103.2 single-family or multifamily building whose owner is applying for a grant under this section
103.3 is located, as reported by the federal Department of Housing and Urban Development.

103.4 (c) "Electric panel" means a building's electric panel or group of panels, including any
103.5 subpanels, consisting of buses and automatic overcurrent devices and equipment with or
103.6 without switches for the control of light, heat, or power circuits placed in an enclosure,
103.7 cabinet, or cutout box. This definition includes a smart panel.

103.8 (d) "Electrical work" has the meaning given in section 326B.31, subdivision 17.

103.9 (e) "Eligible applicant" means:

103.10 (1) an owner of a single-family building whose occupants have an annual household
103.11 income no greater than 150 percent of the area median income; or

103.12 (2) an owner of a multifamily building in which at least 50 percent of the units are
103.13 occupied by households whose annual income is no greater than 150 percent of the area
103.14 median income.

103.15 (f) "Multifamily building" means a building containing two or more units.

103.16 (g) "Smart panel" means an electrical panel that may be electronically programmed to
103.17 manage electricity use in a building automatically.

103.18 (h) "Unit" means a residential living space in a multifamily building occupied by an
103.19 individual or a household.

103.20 (i) "Upgrade" means:

103.21 (1) for a single-family residence, the installation of equipment, devices, and wiring
103.22 necessary to increase an electrical panel's capacity to a total rating of not less than 200
103.23 amperes, or to a total rating that allows all the building's energy needs to be provided solely
103.24 by electricity, as calculated using the most recent National Electrical Code as adopted in
103.25 Minnesota;

103.26 (2) for a single family residence, the installation of a smart panel; or

103.27 (3) for a multifamily building, the installation of equipment, devices, and wiring necessary
103.28 to increase the capacity of an electric panel, including feeder panels, to a total rating that
103.29 allows all the building's energy needs to be provided solely by electricity, as calculated
103.30 using the National Electrical Code as adopted in Minnesota.

104.1 Subd. 2. **Program establishment.** A residential electric panel upgrade grant program
104.2 is established in the Department of Commerce to provide financial assistance to owners of
104.3 single-family residences and multifamily buildings to upgrade residential electric panels.

104.4 Subd. 3. **Application process.** An applicant seeking a grant under this section must
104.5 submit an application to the commissioner on a form developed by the commissioner. The
104.6 commissioner must develop administrative procedures to govern the application and grant
104.7 award process. The commissioner may contract with a third party to conduct some or all of
104.8 the program's operations.

104.9 Subd. 4. **Grant awards.** A grant may be awarded under this section to:

104.10 (1) an eligible applicant; or

104.11 (2) with the written permission of an eligible applicant submitted to the commissioner,
104.12 to a contractor performing an upgrade or a third party on behalf of the eligible applicant.

104.13 Subd. 5. **Grant amount.** (a) Subject to the limits of paragraphs (b) to (d), a grant awarded
104.14 under this section may be used to pay 100 percent of the equipment and installation costs
104.15 of an upgrade.

104.16 (b) The commissioner may not award a grant to an eligible applicant under this section
104.17 which, in combination with a federal grant awarded to the eligible applicant under the federal
104.18 Inflation Reduction Act of 2022, Public Law 117-189, for the same electric panel upgrade,
104.19 exceeds 100 percent of the equipment and installation costs of the upgrade.

104.20 (c) The maximum grant amount under this section that may be awarded to an eligible
104.21 applicant who owns a single-family residence is:

104.22 (1) \$3,000 for an owner whose annual household income is less than 80 percent of area
104.23 median income; and

104.24 (2) \$2,000 for an owner whose annual household income exceeds 80 percent but is not
104.25 greater than 150 percent of area median income.

104.26 (d) The maximum grant amount that may be awarded under this section to an eligible
104.27 applicant who owns a multifamily building is the sum of \$5,000, plus \$500 multiplied by
104.28 the number of units containing a separate electric panel receiving an upgrade in the
104.29 multifamily building, not to exceed \$50,000 per multifamily building.

104.30 (e) The commissioner may approve grants over the maximum amounts in paragraphs
104.31 (c) and (d) up to 100 percent of the equipment and installation costs of the upgrade if
104.32 necessary to complete the upgrade.

105.1 Subd. 6. **Limitation.** No more than one grant may be awarded to an owner under this
105.2 section for work conducted at the same single-family residence or multifamily building.

105.3 Subd. 7. **Outreach.** The department must publicize the availability of grants under this
105.4 section to, at a minimum:

105.5 (1) income-eligible households;

105.6 (2) community action agencies and other public and private nonprofit organizations that
105.7 provide weatherization and other energy services to income-eligible households; and

105.8 (3) multifamily property owners and property managers.

105.9 Subd. 8. **Contractor or subcontractor requirements.** Contractors and subcontractors
105.10 performing electrical work under a grant awarded under this section must:

105.11 (1) comply with the provisions of sections 326B.31 to 326B.399;

105.12 (2) certify that the electrical work is performed by a licensed journeyworker electrician
105.13 or a registered unlicensed individual under the direct supervision of a licensed journeyworker
105.14 electrician or master electrician employed by the same licensed electrical contractor; and

105.15 (3) pay workers the prevailing wage rate, as defined in section 177.42, and are subject
105.16 to the requirements and enforcement provisions in sections 177.27, 177.30, 177.32, 177.41
105.17 to 177.435, and 177.45.

105.18 Subd. 9. **Report.** Beginning January 1, 2025, and each January 1 through 2033, the
105.19 department must submit a report to the chairs and ranking minority members of the legislative
105.20 committees with primary responsibility for climate and energy policy describing the activities
105.21 and expenditures under the program established in the section. The report must include, at
105.22 a minimum:

105.23 (1) the number of units in multifamily buildings and the number of single-family
105.24 residences whose owners received grants;

105.25 (2) the geographic distribution of grant recipients; and

105.26 (3) the average amount of grants awarded per building in multifamily buildings and in
105.27 single-family residences.

105.28 **EFFECTIVE DATE.** This section is effective the day following final enactment.

106.1 Sec. 41. COMMISSION ORDER.

106.2 Within 180 days of the effective date of this section, the commission must issue an order
106.3 addressing the requirements of Minnesota Statutes, section 216B.1641, as amended by this
106.4 act.

106.5 EFFECTIVE DATE. This section is effective the day following final enactment.

106.6 Sec. 42. ADVANCED NUCLEAR STUDY.

106.7 Subdivision 1. Study required. (a) The commissioner of commerce must conduct a
106.8 study evaluating the potential costs, benefits, and impacts of advanced nuclear technology
106.9 reactor power generation in Minnesota.

106.10 (b) At a minimum, the study must address the potential costs, benefits, and impacts of
106.11 advanced nuclear technology reactor power generation on:

106.12 (1) Minnesota's greenhouse gas emissions reduction goals under the Next Generation
106.13 Energy Act, Laws 2007, chapter 136;

106.14 (2) system costs for ratepayers;

106.15 (3) system reliability;

106.16 (4) the environment;

106.17 (5) local jobs;

106.18 (6) local economic development;

106.19 (7) Minnesota's eligible energy technology standard under Minnesota Statutes, section
106.20 216B.1691, subdivision 2a; and

106.21 (8) Minnesota's carbon-free standard under Minnesota Statutes, section 216B.1691,
106.22 subdivision 2g.

106.23 (c) The study must also evaluate:

106.24 (1) current Minnesota statutes and administrative rules that would require modifications
106.25 in order to enable the construction and operation of advanced nuclear reactors;

106.26 (2) the economic feasibility of replacing coal-fired boilers with advanced nuclear reactors,
106.27 while accounting for the avoided costs that result from the closure of coal-fired plants; and

106.28 (3) the technologies and methods most likely to minimize the environmental impacts of
106.29 nuclear waste and the costs of managing nuclear waste.

107.1 Subd. 2. **Report.** The commissioner of commerce must submit the results of the study
107.2 under subdivision 1 to the chairs and ranking minority members of the legislative committees
107.3 having jurisdiction over energy finance and policy no later than January 31, 2025.

107.4 Sec. 43. **TRIBAL ADVOCACY COUNCIL ON ENERGY; DEPARTMENT OF**
107.5 **COMMERCE SUPPORT.**

107.6 (a) The Department of Commerce must provide technical support and subject matter
107.7 expertise to assist and help facilitate any efforts taken by the 11 federally recognized Indian
107.8 Tribes in Minnesota to establish a Tribal advocacy council on energy.

107.9 (b) When providing support to a Tribal advocacy council on energy, the Department of
107.10 Commerce may assist the council to:

107.11 (1) assess and evaluate common Tribal energy issues, including (i) identifying and
107.12 prioritizing energy issues, (ii) facilitating idea sharing between the Tribes to generate
107.13 solutions to energy issues, and (iii) assisting decision making with respect to resolving
107.14 energy issues;

107.15 (2) develop new statewide energy policies or proposed legislation, including (i) organizing
107.16 stakeholder meetings, (ii) gathering input and other relevant information, (iii) assisting with
107.17 policy proposal development, evaluation, and decision making, and (iv) helping facilitate
107.18 actions taken to submit, and obtain approval for or have enacted, policies or legislation
107.19 approved by the council;

107.20 (3) make efforts to raise awareness and provide educational opportunities with respect
107.21 to Tribal energy issues by (i) identifying information resources, (ii) gathering feedback on
107.22 issues and topics the council identifies as areas of interest, and (iii) identifying topics for
107.23 educational forums and helping facilitate the forum process; and

107.24 (4) identify, evaluate, and disseminate successful energy-related practices, and develop
107.25 mechanisms or opportunities to implement the successful practices.

107.26 (c) Nothing in this section requires or otherwise obligates the 11 federally recognized
107.27 Indian Tribes in Minnesota to establish a Tribal advocacy council on energy, nor does it
107.28 require or obligate any one of the 11 federally recognized Indian Tribes in Minnesota to
107.29 participate in or implement a decision or support an effort made by an established Tribal
107.30 advocacy council on energy.

107.31 (d) Any support provided by the Department of Commerce to a Tribal advocacy council
107.32 on energy under this section may be provided only upon request of the council and is limited

108.1 to issues and areas where the Department of Commerce's expertise and assistance is
108.2 requested.

108.3 Sec. 44. **ELECTRIC GRID RESILIENCY GRANTS.**

108.4 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
108.5 the meanings given.

108.6 (b) "Commissioner" means the commissioner of commerce.

108.7 (c) "Department" means the Department of Commerce.

108.8 (d) "Consumer-owned utility" has the meaning given in Minnesota Statutes, section
108.9 216B.2402, subdivision 2.

108.10 Subd. 2. **Grant awards.** Grants may be awarded under this section to consumer-owned
108.11 utilities or their associated trade associations for projects that:

108.12 (1) develop or improve distributed energy resources in the state;

108.13 (2) demonstrate the project helps provide flexibility to electric utilities or consumers,
108.14 lead to lower rates, provide environmental benefits, or increase the resilience of an electric
108.15 grid;

108.16 (3) are power generation or storage resources located near load centers; or

108.17 (4) develop programs to enhance the safety of personnel performing duties exposing
108.18 them to potential electrical hazards such as power system restoration by incorporating whole
108.19 person safety concepts into safety programs.

108.20 Subd. 3. **Grant awards; administration.** (a) An entity seeking a grant award under
108.21 subdivision 2 must submit an application to the commissioner on a form prescribed by the
108.22 commissioner. The commissioner is responsible for receiving and reviewing grant
108.23 applications and awarding grants under subdivision 3, and must develop administrative
108.24 procedures governing the application, evaluation, and award process. In awarding grants
108.25 under subdivision 3, the commissioner must endeavor to make awards assisting entities
108.26 from all regions of the state. The maximum grant award for each entity awarded a grant
108.27 under subdivision 3 is \$250,000.

108.28 (b) The department must provide technical assistance to applicants.

108.29 Subd. 4. **Report.** Beginning February 15, 2024, and each February 15 thereafter until
108.30 the appropriation under this section has been expended, the commissioner must submit a
108.31 written report to the chairs and ranking minority members of the legislative committees

109.1 with jurisdiction over energy policy and finance on the activities taken and expenditures
109.2 made under this section. The report must, at a minimum, include each grant awarded in the
109.3 most recent calendar year and the remaining balance of the appropriation under this section.

109.4 Sec. 45. **MINNESOTA CLIMATE INNOVATION FINANCE AUTHORITY.**

109.5 (a) The initial appointments made under Minnesota Statutes, section 216C.441,
109.6 subdivision 10, paragraph (a), clause (6), items (i) to (iii), shall be for two-year terms, and
109.7 the initial appointments made under Minnesota Statutes, section 216C.441, subdivision 10,
109.8 paragraph (a), clause (6), items (iv) to (vi), shall be for three-year terms.

109.9 (b) The governor must make the appointments required under this section no later than
109.10 July 30, 2023.

109.11 (c) The initial meeting of the board of directors must be held no later than September
109.12 15, 2023. At the initial meeting, the board shall elect a chair and vice-chair by majority vote
109.13 of the members present.

109.14 Sec. 46. **SUPPORTING INVESTMENT IN GREEN FERTILIZER PRODUCTION.**

109.15 (a) A grant under this act to a cooperative to invest in green fertilizer production facilities
109.16 must include a long-term agreement to purchase nitrogen fertilizer for cooperative members.
109.17 Renewable energy, hydrogen, and ammonia may be produced elsewhere, but the final
109.18 production of nitrogen fertilizer must occur within Minnesota.

109.19 (b) For purposes of this section:

109.20 (1) a cooperative includes an agricultural or rural electric cooperative organized under
109.21 Minnesota Statutes, chapter 308A or 308B;

109.22 (2) green fertilizer production facilities are facilities that use renewable energy to produce
109.23 anhydrous ammonia, urea, or hydrogen;

109.24 (3) "green hydrogen" means hydrogen produced by splitting water molecules using:

109.25 (i) grid-based electrolyzers that have matched their electricity consumption with wind
109.26 or solar; or

109.27 (ii) electrolyzers connected directly to a wind or solar facility; and

109.28 (4) "green fertilizer" means a nitrogen-based fertilizer produced from green hydrogen.

109.29 (c) The commissioner must develop criteria and scoring procedures for evaluating and
109.30 awarding grants. The maximum grant award for a cooperative is \$7,000,000.

110.1 (d) Up to five percent of the amount in paragraph (a) may be used by the department to
110.2 administer this section.

110.3 (e) By December 15 each year, the commissioner must report to the chairs and ranking
110.4 minority members of the legislative committees with jurisdiction over agriculture to provide
110.5 an update on the progress of projects funded by this program. Each report must include how
110.6 much of the amount appropriated has been used, including the amount used for
110.7 administration. The commissioner may include additional information of interest or relevance
110.8 to the legislature. This paragraph expires December 31, 2031.

110.9 (f) By December 15, 2032, the commissioner must complete a final report to the chairs
110.10 and ranking minority members of the legislative committees with jurisdiction over agriculture
110.11 regarding the uses and impacts of this program. The final report must include a list of the
110.12 grants awarded, the amount of the appropriation used for administration, the amount of
110.13 green fertilizer produced, and a summary of the economic and environmental impacts of
110.14 this production compared to the production and purchase of conventionally produced
110.15 fertilizer. The commissioner may include additional information of interest or relevance to
110.16 the legislature. This paragraph expires December 31, 2032.

110.17 Sec. 47. **REPEALER.**

110.18 Minnesota Statutes 2022, sections 16B.24, subdivision 13; and 216B.16, subdivision
110.19 10, are repealed."

110.20 Amend the title accordingly