

S.F. No. 2847 – Omnibus Energy Finance (Articles 3 and 4 of First Engrossment)

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ARTICLE 3 – STRENGTHEN MINNESOTA HOMES

Section 1 [Homeowner’s Insurance; Fortified Program Standards] requires insurers to provide a premium discount or reduced insurance rate to insure new or retrofitted residential property that meets the Fortified program standards as administered by the Insurance Institute for Business and Home Safety.

Section 2 [Strengthen Minnesota Homes Program] establishes the Strengthen Minnesota Homes program in the Department of Commerce to provide grants to retrofit residential property to resist loss due to common perils, including but not limited to tornadoes or other catastrophic windstorm events. Grants must be awarded on a first come, first served basis.

ARTICLE 4 – ENERGY POLICY

Section 1 [Buy Clean and Buy Fair Minnesota] requires new construction of state buildings with more than 50,000 square feet, certain renovations of more than 50,000 square feet, and construction or reconstruction of more than two miles of trunk highway to only use carbon steel rebar, structural steel, concrete, or asphalt paving mixture that does not exceed the maximum acceptable global warming potential, as determined by the commissioner of administration.

Section 2 [Sustainable Building Guidelines Must Include Resiliency] requires sustainable building design guidelines for state buildings to incorporate resiliency guidelines to encourage design that allows buildings to adapt to projected climate-related changes that are reflected in both acute events and chronic trends.

Section 3 [Fee for Charging Electric Vehicles in Capitol Area] requires a person who charges a privately-owned vehicle at a charging station in the capitol area to pay an electric service fee established by the commission of administration.

Section 4 [Preference Order for Purchase of State Vehicles] establishes a four-tier preference order for purchase of state vehicles with electric vehicles being the highest preference and gasoline or diesel fueled vehicles being the lowest tier. Higher preference vehicles may be rejected only if they are incapable of performing the work for which they are being purchased or the total cost of ownership would be more than 10% higher than the next vehicle type.

Section 5 [Technical Changes] makes conforming changes to reflect the statutory changes made in section 4.

Section 6 [RDA Projects Are Subject to Prevailing Wage Requirements] requires payment of prevailing wages on construction projects that receive funds from the renewable development account. Specifies that the construction projects are also subject to prevailing wage reporting and record keeping requirements and enforcement by the Department of Labor and Industry.

Section 7 [Solar Energy Production Incentive Program Extension] increases the amount that the public utility subject to § 116C.779 must allocate to the solar energy production incentive program.

Section 8 [Area C Contingency Account] creates an account to provide money to the owner of a solar energy generating system planned to be deployed on the former industrial waste dump for the former Ford Twin Cities Assembly Plant in the event that the Pollution Control Agency issues a corrective action determination in connection with contaminated soil or groundwater that adversely affects the project.

Sections 9 through 11 [Air Ventilation Program Act] requires the commissioner of commerce to establish an air ventilation program to provide grants to reimburse school boards for heating, ventilation, and air conditioning assessment reports, related testing, and upgrades to improve the health, safety, and HVAC system efficiency.

Section 12 [Dealers Must Employ Persons Knowledgeable about Electric Vehicles] requires dealers of new motor vehicles to employ at least one person who has had training on the fundamentals of electric vehicles and related issues.

Section 13 [Transportation Electrification Plans] requires a public utility to submit a transportation electrification plan to the commission by November 1, 2023, which may include an educational component, utility investment, research and demonstration projects, and rate structures or programs that encourage electric vehicle charging that optimizes grid operation. Allows the Public Utilities Commission (PUC) to approve cost recovery for prudent and reasonable investments made or expenses incurred by a public utility in the administration and implementation of a transportation electrification plan.

Section 14 [Electric School Bus Deployment Program] creates a program in the Department of Commerce to provide grants to accelerate the deployment of electric school buses by paying for up to 95% of a school district's or transportation service provider's cost to purchase one or more electric school buses or to convert fossil-fuel-powered buses into electric school buses. Grants may also be used to deploy related infrastructure. The deadline for applications is December 31, 2032.

Section 15 [Community Solar Garden Transition] transitions the community solar garden program to a low-income community solar garden program. Cooperative associations, nonprofit organizations, and Indian Tribes are eligible owners, and at least 25% of subscribers must be low-

income residential subscribers and nonresidential subscribers. Eligible nonresidential subscribers are statutorily enumerated.

Section 16 [Distributed Solar Energy Standard] requires the public utility subject to section 116C.779 to generate at least 3% of its total retail electric sales from solar photovoltaic devices with a nameplate capacity of ten megawatts or less, at least 70% of which cannot be owned by the utility.

Section 17 [Technical Change] makes a technical change to conform to the changes made in another section.

Section 18 [Utility Customer Dispute Resolution] requires residential customer complaints against a public utility to be filed with the PUC's consumer affairs office. If the customer is not satisfied with the resolution of the dispute by the consumer affairs office, the customer may file an appeal with the commission, which can either be dismissed, resolved through an informal proceeding before the commission, or referred to the Office of Administrative Hearings for a contested case. Judicial review of decisions is made available.

Section 19 [Distributed Resources Options in Resource Planning] requires a utility to consider distributed energy resources among the options considered in its resource plan filing.

Section 20 [Commerce Assessment] raises from \$500,000 to \$1,000,000 the amount that the Department of Commerce may assess per fiscal year to pay for grid reliability analyses and to perform regional and national duties.

Section 21 [Compensation for Certain PUC Proceeding Participants] authorizes the PUC to order a public utility to compensate Minnesota residents, certain nonprofit, and Indian tribes who materially assist the commission in a PUC proceeding. This section also contains per proceeding, per recipient, and per utility caps on compensation received or paid.

Section 22 [Reporting on Certain Accounts] requires the commissioner of commerce to report to the legislature annually certain information about accounts created in the special revenue fund by Chapter 216C.

Sections 23 through 28 [Preweatherization Program Establishment] establish a preweatherization program in the Department of Commerce to provide grants for preweatherization services to income-eligible households in Minnesota. Grants are also available through a competitive process to educational institutions, certified training centers, labor organizations, and nonprofits for training and developing programs for careers in the weatherization industry.

Section 29 [Energy Benchmarking] requires certain properties of more than 50,000 square feet to participate in energy benchmarking to make a building's owners, tenants, and potential tenants aware of the building's energy consumption levels and patterns, and how the building's energy use compares with that of similar buildings nationwide.

Section 30 [Solar for Schools Eligibility Expansion] expands eligibility for the solar for schools program to Tribal contract schools and any other public school district deemed appropriate by the commissioner.

Section 31 [Technical Change] technical change to the solar for schools program statute.

Section 32 [Solar for Schools Program Extension] extends the solar for schools program by seven years, to 2032.

Section 33 [Technical Change] technical change to the solar for schools program statute.

Section 34 [Distributed Energy Resources System Upgrade Program] establishes a distributed energy resources system upgrade program in the Department of Commerce to provide funding to the utility subject to section 116C.779 to complete infrastructure upgrades necessary to enable electricity customers to interconnect distributed energy resources.

Section 35 [Solar on Public Buildings Program Establishment] Establishes a solar on public buildings grant program to provide grants to stimulate the installation of solar energy generating systems on public buildings. Utilities and developers may apply for the grants on behalf of local government buildings.

Section 36 [Energy Storage Incentive Program] requires the public utility subject to § 116C.779 to develop and operate a program to provide lump sum grants to customers to reduce the costs of purchasing and installing on-site energy storage systems.

Section 37 [Electric Vehicle Rebates] provides rebates of up to \$2,500 for the purchase or lease of an eligible new electric vehicle and \$500 for the purchase or lease of an eligible used electric vehicle. Only vehicles with an MSRP of \$60,000 or less are eligible. The rebate amount can be increased by \$500 and \$100 for new or used vehicles, respectively, if the purchaser meets certain income requirements. The rebate program expires on June 30, 2027.

Section 38 [Dealer Grants to Cover Costs of Manufacturer Certification] creates a grant program to provide grants of up to \$40,000 to dealers of new motor vehicles to offset the costs of obtaining the training and equipment required by electric vehicle manufacturers in order to certify a dealer to sell electric vehicles produced by the manufacturer.

Section 39 [Minnesota Climate Innovation Finance Authority] establishes a Minnesota Climate Innovation Finance Authority to accelerate the deployment of clean energy projects, greenhouse gas emissions reduction projects, and other qualified projects through the strategic deployment of public funds in the form of grants, loans, credit enhancements, and other financing mechanisms in order to leverage existing public and private sources of capital to reduce the upfront and total cost of qualified projects and to overcome financial barriers to project adoption, especially in low-income communities.

Section 40 [Residential Heat Pump Rebate Program] establishes a residential heat pump rebate program to provide financial assistance to eligible applicants that purchase and install a heat pump in the applicant's Minnesota residence. Under the program a person who received or has applied for a heat pump rebate under the Inflation Reduction Act of 2022 is eligible for a rebate under the program of up to \$4,000.

Section 41 [Residential Electric Panel Upgrade Grant Program] establishes a residential electric panel upgrade grant program to provide financial assistance to owners of single-family residences and multifamily buildings to upgrade residential electric panels. An owner of a single family residence with household income no greater than 150 percent of the area median income, or an owner of a multifamily building in which at least 50 percent of the units are occupied by households

whose annual income is no greater than 150 percent of the area median income, is eligible for a grant under the program.

Section 42 [Community Solar Gardens Order] requires the Public Utilities Commission to issue an order addressing Community Solar Garden program requirements in light of the modifications made by this act within 180 days.

Section 43 [Advanced Nuclear Study] requires the commissioner of commerce to conduct a study evaluating the potential costs, benefits, and impacts of advanced nuclear technology reactor power generation in Minnesota.

Section 44 [Tribal Advocacy Council on Energy] requires the commissioner of commerce to provide technical support and subject matter expertise to assist and help facilitate any efforts taken by the 11 federally recognized Indian Tribes in Minnesota to establish a Tribal advocacy council on energy.

Section 45 [Electric Grid Resiliency Grants] establishes a program to provide grants to consumer-owned utilities or their associated trade associations for projects that develop or improve distributed energy resources in the state, help provide flexibility to electric utilities or consumers, lead to lower rates, provide environmental benefits, increase the resilience of an electric grid, are power generation or storage resources located near load centers, or develop programs to enhance the safety of personnel performing duties exposing them to potential electrical hazards.

Section 46 [Initial Appointments to Board of Directors] provides for initial appointments to the board of directors of the Minnesota Climate Innovation Finance Authority.

Section 47 [Supporting Investment in Green Fertilizer] requires a grant under this act to a cooperative to invest in green fertilizer production facilities to include a long-term agreement to purchase nitrogen fertilizer for cooperative members. Requires related reporting.

Section 48 [Repealer] repeals two statutes that are being replaced with the new statutes created by other sections.