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S.F. No. 3535 – C-PACE program modification (as amended by the A-3)

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Section 1 (section 216C.435, subd. 3a). Removes “Cost-effective” from the header of “Cost-effective energy improvements.” The definition of these improvements is amended in subdivision 3a, clause (1) to add reduction in greenhouse gas emissions to the definition and removing the 20-year payment requirement. Subdivision 3a, clause (4) removes the 20-year repayment requirement for solar voltaic or solar thermal, instead requiring the estimate amount of renewable energy production.

Section 2 (section 216C.435, subd. 3b). Amends the definition of a PACE loan contractor to refer to entities that install eligible, rather than cost effective, improvements.

Section 3 (section 216.435). Adds a definition for eligible improvement. This definition includes energy improvements, resiliency improvement or water improvements made to qualify real property.

Section 4 (section 216C.435, subd. 4). Amends the definition of “energy audit” to focus on the effective useful life of an energy improvement, reduction of energy consumption, and related greenhouse gas emissions resulting from the proposed improvement rather than the length of time a measure takes to be repaid based on savings.

Section 5 (section 216C.435, subd. 8). Expands the definition of qualifying studies to include water and resiliency improvement studies.

Section 6 (216C.435, subd. 10). Amends the definition of “renewable energy system feasibility study” to focus on the effective useful life of a renewable energy system, production of the system, and related greenhouse gas emissions resulting from the system rather than the length of time a measure takes to be repaid based on savings.

Section 7 (section 216C.435, subd. 11a). Expands the eligible projects to include resiliency improvement and defines it.

Section 8 (section 216C.435, subd. 11b). Defines the resiliency improvement feasibility study requirements.

Section 9 (section 216C.435, subd. 14). Expands the eligible projects to include water improvement and defines it.

Section 10 (section 216C.435, subd. 15). Defines the water feasibility study requirements.

Section 11 (section 216C.436, subd. 1). Expands the purpose of C-PACE to add water and resiliency improvements and remove the cost effectiveness requirement.

Section 12 (section 216C.436, subd. 1b). Expands the definition of resiliency to add the ability to mitigate greenhouse gas embodied emissions and an increase in building resilience through flood mitigation, stormwater management, wildfire and wind resistance, energy storage use, or microgrid use.

Section 13 (section 216C.436, subd. 2). Amends program requirements, to include resiliency improvement study and water improvement study to the list of required assessments, adjusts the requirement to inspect or verify all eligible improvements, and removes the reference to cost-effectiveness in energy improvements to focus instead on eligible improvements.

Section 14 (section 216C.436, subd. 4). Extends the eligible financing term from 20 years to 30 years.