

1.1 Senator moves to amend S.F. No. 4686 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. **[216C.47] GEOTHERMAL HEAT EXCHANGE SYSTEM REBATE**
1.4 **PROGRAM.**

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

1.7 (b) "Eligible applicant" means a person, business, nonprofit, government entity, federally
1.8 recognized Tribe in Minnesota, or religious institution who provides evidence to the
1.9 commissioner's satisfaction demonstrating that the person has received or has applied for
1.10 a geothermal heat exchange system rebate available from the federal Department of Treasury
1.11 under the Inflation Reduction Act of 2022, Public Law 117-189, for a commercial or
1.12 multifamily building located in Minnesota.

1.13 (c) "Geothermal heat exchange system" means a heating or cooling exchange mechanism
1.14 composed of a mechanism to collect or reject heat from or to the underground.

1.15 (d) "Commissioner" means the commissioner of the Department of Commerce.

1.16 Subd. 2. **Establishment.** A geothermal heat exchange system rebate program is
1.17 established in the department to provide financial assistance to eligible applicants that install
1.18 geothermal heat exchange technology in the applicant's building.

1.19 Subd. 3. **Application.** (a) An application for a rebate under this section must be made
1.20 to the commissioner on a form developed by the commissioner. The application must be
1.21 accompanied by documentation, as required by the commissioner, demonstrating:

1.22 (1) that the applicant is an eligible applicant;

1.23 (2) that the applicant owns the Minnesota building in which the geothermal exchange
1.24 system is to be installed;

1.25 (3) that an energy audit of the building in which the geothermal exchange system is to
1.26 be installed has been conducted within the 18 months preceding the application date by a
1.27 person with a building analyst technician certification issued by the Building Performance
1.28 Institute, Inc., or an equivalent certification, as determined by the commissioner;

1.29 (4) that the applicant has installed a geothermal heat exchange system of the capacity
1.30 recommended by the auditor or contractor, and has had the heat pump installed by a
1.31 contractor with sufficient training and experience in installing heat pumps, as determined
1.32 by the commissioner; and

(5) the total cost to install the geothermal heat exchange system in the applicant's building and the associated geothermal loop installed and located outside of the building.

(b) The commissioner must develop administrative procedures governing the application and rebate award processes.

(c) The commissioner may modify program requirements under this section when necessary to align with comparable federal programs administered by the department under the federal Inflation Reduction Act of 2022, Public Law 117-189.

Subd. 4. **Rebate amount.** A rebate awarded under this section must not exceed the lower of:

(1) ten percent of geothermal heat exchange system costs, not to exceed \$100,000 for a single project; or

(2) the total cost to purchase and install the heat exchange system in an eligible applicant's building net of any financial support received for the system from other federal, state, or utility programs.

Subd. 5. **Prioritization.** In evaluating applications under this program, the commissioner shall give priority to applications which:

(1) are located in environmental justice communities as defined by section 115A.03, subdivision 10b;

(2) have submitted a workforce plan demonstrating the intention to use registered apprenticeships; or

(3) are multifamily housing or commercial buildings which:

(i) are owned by a non-profit or government entity; and

(ii) meet the definition of low-income rental property under section 273.128.

Subd. 6. **Account established.** (a) The geothermal heat exchange system rebate account is established as a separate account in the special revenue fund in the state treasury. The commissioner shall credit appropriations and transfers to the account. Earnings, including interest, dividends, and any other earnings arising from assets of the account, must be credited to the account. Money remaining in the account at the end of a fiscal year does not cancel to the general fund, but remains in the account until expended. The commissioner must manage the account.

(b) Money in the account is appropriated to the commissioner for the purposes of this section and to reimburse the reasonable costs of the department to administer this section.

3.1 Any money remaining in the account on January 1, 2033, cancels to the renewable
3.2 development account.

3.3 Sec. 2. **APPROPRIATION.**

3.4 \$4,000,000 in fiscal year 2025 is appropriated from the renewable development account
3.5 to the commissioner of commerce for the geothermal heat exchange system rebate program.
3.6 Rebates awarded with funds appropriated under this subdivision must be awarded only to
3.7 projects that are located within the electric service area of the public utility subject to
3.8 Minnesota Statutes, section 116C.779."