

1.1 Senator moves to amend S.F. No. 2393 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "ARTICLE 1

1.4 CLIMATE AND 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 "2026" and "2027" used in this article mean that the appropriations listed under
1.10 them are available for the fiscal year ending June 30, 2026, or June 30, 2027, respectively.
1.11 "The first year" is fiscal year 2026. "The second year" is fiscal year 2027. "The biennium"
1.12 is fiscal years 2026 and 2027. If an appropriation in this article is enacted more than once
1.13 in the 2025 regular or a special legislative session, the appropriation must be given effect
1.14 only once.

1.15	<u>APPROPRIATIONS</u>	
1.16	<u>Available for the Year</u>	
1.17	<u>Ending June 30</u>	
1.18	<u>2026</u>	<u>2027</u>

1.19 Sec. 2. DEPARTMENT OF COMMERCE

1.20	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>15,843,000</u>	<u>\$</u>	<u>15,843,000</u>
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1.21	<u>Appropriations by Fund</u>		
1.22		<u>2026</u>	<u>2027</u>
1.23	<u>General</u>	<u>14,246,000</u>	<u>14,246,000</u>
1.24	<u>Petroleum Tank</u>	<u>1,597,000</u>	<u>1,597,000</u>

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

1.28	<u>Subd. 2. Energy Resources</u>	<u>14,246,000</u>	<u>14,246,000</u>
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1.29 (a) \$150,000 the first year and \$150,000 the
1.30 second year are to remediate vermiculite
1.31 insulation from households that are eligible
1.32 for weatherization assistance under
1.33 Minnesota's weatherization assistance program
1.34 state plan under Minnesota Statutes, section

2.1 216C.264. Remediation must be performed in
2.2 conjunction with federal weatherization
2.3 assistance program services.

2.4 (b) \$189,000 each year is for activities
2.5 associated with a utility's implementation of
2.6 a natural gas innovation plan under Minnesota
2.7 Statutes, section 216B.2427.

2.8 (c) \$3,199,000 each year is for weatherization
2.9 and preweatherization work to serve additional
2.10 households and allow for services that would
2.11 otherwise be denied due to current federal
2.12 limitations related to the federal weatherization
2.13 assistance program. Money under this
2.14 paragraph is transferred from the general fund
2.15 to the preweatherization account in the special
2.16 revenue fund under Minnesota Statutes,
2.17 section 216C.264, subdivision 1c.

2.18 (d) \$500,000 each year is for a grant to the
2.19 clean energy resource teams under Minnesota
2.20 Statutes, section 216C.385, subdivision 2, to
2.21 provide additional capacity to perform the
2.22 duties specified under Minnesota Statutes,
2.23 section 216C.385, subdivision 3. This
2.24 appropriation may be used to reimburse the
2.25 reasonable costs incurred by the department
2.26 to administer the grant.

2.27 (e) \$301,000 each year is to implement energy
2.28 benchmarking under Minnesota Statutes,
2.29 section 216C.331.

2.30 (f) \$164,000 each year is for activities
2.31 associated with a public utility's filing a
2.32 transportation electrification plan under
2.33 Minnesota Statutes, section 216B.1615.

3.1 (g) \$77,000 each year is for activities
3.2 associated with appeals of consumer
3.3 complaints to the commission under
3.4 Minnesota Statutes, section 216B.172.

3.5 (h) \$961,000 each year is for activities
3.6 required under Minnesota Statutes, section
3.7 216B.1641, for community solar gardens. This
3.8 appropriation must be assessed directly to the
3.9 public utility subject to Minnesota Statutes,
3.10 section 116C.779.

3.11 (i) \$46,000 each year is for work to align
3.12 energy transmission and distribution planning
3.13 activities with opportunities along trunk
3.14 highway rights-of-way.

3.15 (j) \$265,000 each year is to (1) participate in
3.16 a Minnesota Public Utilities Commission
3.17 proceeding to review electric transmission line
3.18 owners' plans to deploy grid-enhancing
3.19 technologies, and (2) issue an order to
3.20 implement the plans. The base in fiscal year
3.21 2028 is \$0.

3.22 The general fund base is \$13,981,000 in fiscal
3.23 year 2028 and \$13,981,000 in fiscal year 2029.

3.24 Subd. 3. Petroleum Tank Release Compensation
3.25 Board

1,597,000

1,597,000

3.26 This appropriation is from the petroleum tank
3.27 fund.

3.28	Sec. 3. PUBLIC UTILITIES COMMISSION	\$	13,330,000	\$	13,417,000
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ARTICLE 2

RENEWABLE DEVELOPMENT ACCOUNT APPROPRIATIONS

Section 1. **RENEWABLE DEVELOPMENT FINANCE.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies
and for the purposes specified in this article. Notwithstanding Minnesota Statutes, section

116C.779, subdivision 1, paragraph (j), the appropriations are from the renewable development account in the special revenue fund established in Minnesota Statutes, section 116C.779, subdivision 1, and are available for the fiscal years indicated for each purpose. The figures "2026" and "2027" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2026, or June 30, 2027, respectively. "The first year" is fiscal year 2026. "The second year" is fiscal year 2027. "The biennium" is fiscal years 2026 and 2027. If an appropriation in this article is enacted more than once in the 2025 regular or special legislative session, the appropriation must be given effect only once.

APPROPRIATIONS

Available for the Year

Ending June 30

<u>2026</u>	<u>2027</u>
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Sec. 2. DEPARTMENT OF COMMERCE

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>500,000</u>	<u>\$</u>	<u>100,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. "Made in Minnesota" Administration

\$100,000 each year is to administer the "Made in Minnesota" solar energy production incentive program under Minnesota Statutes, section 216C.417. Any unobligated amount remaining on June 30, 2027, cancels to the renewable development account.

Subd. 3. Microgrid Research and Application

\$400,000 the first year is for a grant to the University of St. Thomas Center for Microgrid Research, which must be used to:

(1) increase the center's capacity to provide industry partners opportunities to test near-commercial microgrid products on a

5.1 real-world scale and to multiply opportunities
5.2 for innovative research;
5.3 (2) procure advanced equipment and controls
5.4 to enable the extension of the university's
5.5 microgrid to additional buildings; and
5.6 (3) expand (i) hands-on educational
5.7 opportunities for undergraduate and graduate
5.8 electrical engineering students to increase
5.9 understanding of microgrid operations, and
5.10 (ii) partnerships with community colleges.

5.11 **Sec. 3. DEPARTMENT OF**
5.12 **ADMINISTRATION** **\$** **92,000** **\$** **92,000**
5.13 \$92,000 each year is for software and
5.14 administrative costs associated with the state
5.15 building energy conservation improvement
5.16 revolving loan program under Minnesota
5.17 Statutes, section 16B.87.

5.18 **ARTICLE 3**
5.19 **ENERGY POLICY**

5.20 Section 1. Minnesota Statutes 2024, section 116C.7792, is amended to read:

5.21 **116C.7792 SOLAR ENERGY PRODUCTION INCENTIVE PROGRAM.**

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

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

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

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

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

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

(3) \$5,000,000 in 2023;

(4) \$11,250,000 in 2024;

(5) \$6,250,000 in 2025; and

(6) \$5,000,000 each year, beginning in 2026 through 2035.

(e) Notwithstanding the Department of Commerce's November 14, 2018, decision in Docket No. E002/M-13-1015 regarding operation of the utility's solar energy production incentive program, half of the amounts allocated each year under paragraph (d), clauses (3), (4), ~~and~~ (5), and (6), must be reserved for solar energy systems whose installation meets the eligibility standards for the low-income program established in the November 14, 2018, decision or successor decisions of the department. All other program operations of the solar energy production incentive program are governed by the provisions of the November 14, 2018, decision or successor decisions of the department.

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

(g) Any unspent amount remaining on January 1, ~~2028~~ 2038, must be transferred to the renewable development account.

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

(i) The utility must file a plan to operate the program with the commissioner of commerce. The utility may not operate the program until it is approved by the commissioner. A change to the program to include projects up to a nameplate capacity of 40 kilowatts or less does not require the utility to file a plan with the commissioner. Any plan approved by the commissioner of commerce must not provide an increased incentive scale over prior years

7.1 unless the commissioner demonstrates that changes in the market for solar energy facilities
7.2 require an increase.

7.3 Sec. 2. Minnesota Statutes 2024, section 216C.09, is amended to read:

7.4 **216C.09 COMMISSIONER DUTIES.**

7.5 (a) The commissioner shall:

7.6 (1) manage the department as the central repository within the state government for the
7.7 collection of data on energy;

7.8 (2) prepare and adopt an emergency allocation plan specifying actions to be taken in the
7.9 event of an impending serious shortage of energy, or a threat to public health, safety, or
7.10 welfare;

7.11 (3) undertake a continuing assessment of trends in the consumption of all forms of energy
7.12 and analyze the social, economic, and environmental consequences of these trends;

7.13 (4) carry out energy conservation and efficiency measures as specified by the legislature
7.14 and recommend to the governor and the legislature additional energy policies and energy
7.15 conservation measures and efficiency programming as required to meet the objectives of
7.16 this chapter;

7.17 (5) collect and analyze data relating to present and future demands and resources for all
7.18 sources of energy;

7.19 (6) evaluate policies governing the establishment of rates and prices for energy as related
7.20 to energy conservation and energy efficiency, and other goals and policies of this chapter,
7.21 and make recommendations for changes in energy pricing policies and rate schedules;

7.22 (7) study the impact and relationship of the state energy policies to international, national,
7.23 and regional energy policies;

7.24 (8) design and implement a state program for ~~the energy conservation of energy and~~
7.25 efficiency; ~~this the program shall~~ must include but is not be limited to; general commercial,
7.26 industrial, ~~and~~ residential, and transportation areas; ~~such the program shall~~ must also provide
7.27 for the evaluation of energy systems as they relate to lighting, heating, refrigeration, air
7.28 conditioning, building design and operation, and appliance manufacturing and operation;

7.29 (9) inform and educate the public about the sources and uses of energy and the ways in
7.30 which ~~persons~~ Minnesotans can transition to a clean energy future, conserve energy, and
7.31 save money;

(10) dispense funds made available for the purpose of research studies and projects of professional and civic orientation, which are related to either energy conservation, resource recovery, or the development of alternative energy technologies which conserve nonrenewable energy resources while creating minimum environmental impact;

(11) charge other governmental departments and agencies involved in energy-related activities with specific information gathering goals and require that those goals be met;

(12) design a comprehensive program for the development of indigenous energy resources. The program shall include, but not be limited to, providing technical, informational, educational, and financial services and materials to persons, businesses, municipalities, and organizations involved in the development of primary and emerging energy sources, including but not limited to solar, wind, hydropower, peat, fiber fuels, biomass, and other alternative energy resources. The program shall be evaluated by the alternative energy technical activity; and

(13) dispense loans, grants, or other financial aid resources from money received from litigation or a settlement of alleged violations of federal petroleum pricing regulations made available to the department for that purpose.

(b) Further, the commissioner may participate fully in hearings before the Public Utilities Commission on matters pertaining to rate design, cost allocation, efficient resource utilization, utility conservation investments, small power production, cogeneration, and other rate issues. The commissioner shall support the policies stated in section 216C.05 and shall prepare and defend testimony proposed to encourage energy conservation improvements as defined in section 216B.241.

Sec. 3. Minnesota Statutes 2024, section 216C.10, is amended to read:

216C.10 COMMISSIONER POWERS.

(a) The commissioner may:

(1) adopt rules under chapter 14 as necessary to carry out the purposes of this chapter;

(2) make all contracts under this chapter and do all things necessary to cooperate with the United States government, and to qualify for, accept, and disburse any grant intended to administer this chapter;

(3) provide on-site technical assistance to units of local government in order to enhance local capabilities for dealing with energy problems to provide energy-related financial resources, planning, outreach, and engagement;

(4) administer for the state, energy programs under federal law, regulations, or guidelines, and coordinate the programs and activities with other state agencies, units of local government, and educational institutions;

(5) develop a state energy investment plan with yearly energy conservation and alternative energy development goals, investment targets, and marketing strategies;

(6) perform market analysis studies relating to conservation, alternative and renewable energy resources, and energy recovery;

(7) assist with the preparation of proposals for innovative conservation, renewable, alternative, or energy recovery projects;

(8) manage and disburse funds made available for the purpose of research studies or demonstration projects related to energy conservation or other activities deemed appropriate by the commissioner;

(9) intervene in certificate of need proceedings before the Public Utilities Commission;

(10) collect fees from recipients of loans, grants, or other financial aid from money received from litigation or settlement of alleged violations of federal petroleum-pricing regulations, which fees must be used to pay the department's costs in administering those financial aids; and

(11) collect fees from proposers and operators of conservation and other energy-related programs that are reviewed, evaluated, or approved by the department, other than proposers that are political subdivisions or community or nonprofit organizations, to cover the department's cost in making the reviewal, evaluation, or approval and in developing additional programs for others to operate.

(b) Notwithstanding any other law, the commissioner is designated the state agent to apply for, receive, and accept federal or other funds made available to the state for the purposes of this chapter.

Sec. 4. Minnesota Statutes 2024, section 216C.11, is amended to read:

216C.11 ENERGY CONSERVATION INFORMATION CENTER.

(a) The commissioner ~~shall~~ must establish an Energy Information Center in the ~~department's offices in St. Paul~~ department. The information center ~~shall~~ must maintain a ~~toll-free telephone information service and disseminate printed materials on energy conservation topics, including but not limited to, availability of loans and other public and private financing methods for energy conservation physical improvements, the techniques~~

~~and materials used to conserve energy in buildings, including retrofitting or upgrading insulation and installing weatherstripping, the projected prices and availability of different sources of energy, and alternative sources of energy~~ physical, virtual, and mobile information service that collects, analyzes, and disseminates energy resources, data, technical assistance and expertise, financial assistance, connections, and information on a variety of energy topics relevant to Minnesota consumers, businesses, Tribal and local governments, and community organizations. The information center must be accessible and responsive to public inquiries, and must conduct proactive outreach.

~~The Energy Information Center shall serve as the official Minnesota Alcohol Fuels Information Center and shall disseminate information, printed, by the toll-free telephone information service, or otherwise on the applicability and technology of alcohol fuels.~~

~~The information center shall include information on the potential hazards of energy conservation techniques and improvements in the printed materials disseminated. The commissioner shall not be liable for damages arising from the installation or operation of equipment or materials recommended by the information center.~~

(b) The information center shall must use the information collected under section 216C.02, subdivision 1, to maintain a central source of information on energy conservation, energy efficiency, and other energy-related programs, including both programs required by law or rule and programs developed and carried on voluntarily.

Sec. 5. Minnesota Statutes 2024, section 216C.12, is amended to read:

216C.12 ENERGY CONSERVATION PUBLICITY LITERACY.

(a) The commissioner, in consultation with other affected agencies or departments shall, must develop informational materials, pamphlets and radio and television messages and messaging on energy conservation and housing energy efficiency programs available in Minnesota, renewable energy resources, and energy supply and demand. The printed materials shall include information on available tax credits for residential energy conservation measures, residential retrofitting loan and grant programs, and data on the economics of energy conservation and renewable resource measures. Copies of printed materials shall be distributed to members of the appropriate standing committees of the legislature. The commissioner must use modern and current outreach strategies and media to distribute the informational materials and messaging to the widest possible audience.

(b) The informational materials must promote energy literacy for individuals and communities to help individuals and communities make informed decisions on topics ranging

11.1 from smart energy use at home and consumer choices to national and international energy
11.2 policy. The informational materials must include but are not limited to information on energy
11.3 sources, energy generation, energy use, energy conservation strategies, the energy workforce
11.4 sector, and state and federal energy-related programs administered by the department.

11.5 Sec. 6. Minnesota Statutes 2024, section 216C.391, subdivision 1, is amended to read:

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

11.8 (b) "Competitive funds" means federal funds awarded to selected applicants based on
11.9 the grantor's evaluation of the strength of an application measured against all other
11.10 applications.

11.11 (c) "Disadvantaged community" has the meaning given by the federal agency disbursing
11.12 federal funds.

11.13 (d) "Eligible entity" means an entity located in Minnesota that is eligible to receive
11.14 federal funds, tax credits, loans, or an entity that has at least one Minnesota-based partner,
11.15 as determined by the grantor of the federal funds, tax credits, or loans.

11.16 (e) "Federal funds" means federal formula or competitive funds available for award to
11.17 applicants for energy projects under the Infrastructure Investment and Jobs Act, Public Law
11.18 117-58, or the Inflation Reduction Act of 2022, Public Law 117-169.

11.19 (f) "Formula funds" means federal funds awarded to all eligible applicants on a
11.20 noncompetitive basis.

11.21 (g) "Loans" means federal loans from loan funds authorized or funded in the Inflation
11.22 Reduction Act of 2022, Public Law 117-169.

11.23 (h) "Match" means the amount of ~~state~~ nonfederal money a successful grantee in
11.24 Minnesota is required to contribute to a project as a condition of receiving federal funds.

11.25 (i) "Political subdivision" has the meaning given in section 331A.01, subdivision 3.

11.26 (j) "Project" means the activities proposed to be undertaken by an eligible entity awarded
11.27 federal funds and are located in Minnesota or will directly benefit Minnesotans.

11.28 (k) "Tax credits" means federal tax credits authorized in the Inflation Reduction Act of
11.29 2022, Public Law 117-169.

11.30 (l) "Tribal government" has the meaning given in section 116J.64, subdivision 4.

12.1 Sec. 7. Minnesota Statutes 2024, section 216C.391, subdivision 3, is amended to read:

12.2 Subd. 3. **Grant awards; eligible entities; priorities.** (a) Grants may be awarded under
12.3 this section to eligible entities in accordance with the following order of priorities:

12.4 (1) federal formula funds directed to the state that require a match;

12.5 (2) federal funds directed to a political subdivision or a Tribal government that require
12.6 a match;

12.7 (3) federal funds directed to an institution of higher education, a consumer-owned utility,
12.8 a business, or a nonprofit organization that require a match;

12.9 (4) federal funds directed to investor-owned utilities that require a match;

12.10 (5) federal funds directed to an eligible entity not included in clauses (1) to (4) that
12.11 require a match; and

12.12 (6) all other grant opportunities directed to eligible entities that do not require a match
12.13 but for which the commissioner determines that a grant made under this section is likely to
12.14 enhance the likelihood of an applicant receiving federal funds, or to increase the potential
12.15 amount of federal funds received.

12.16 (b) By November 15, 2023, the commissioner must develop and publicly post, and report
12.17 to the chairs and ranking minority members of the legislative committees with jurisdiction
12.18 over energy finance, the federal energy grant funds that are eligible for state matching funds
12.19 under this section.

12.20 (c) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 5, paragraph (b),
12.21 a grant made under this section may exceed five years."

12.22 Renumber the sections in sequence and correct the internal references

12.23 Amend the title accordingly