



Community Energy Transition Grants Program

Annual Report to the Legislature as required by Minnesota Statute 116J.55, Subd. 7

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As requested by Minnesota Statute 3.197: This report cost approximately \$?? to prepare, including staff time, and distribution expenses.

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Table of Contents

Background	4
How DEED identified eligible recipients.....	4
Grants Awarded under Minnesota Statutes 116J.548	4

Background

The Community Energy Transition Grants Program was passed by the 2019 legislature and created a program within DEED to assist “eligible communities” to address the economic dislocation associated with the closing of a local electric generating plant. An eligible community awarded a grant under this section may use the grant to plan for or address the economic and social impacts on an eligible community of the electric generating plant’s cessation of operations, including but not limited to researching, planning, and implementing activities designed to: (1) assist workers at the plant find new employment, including worker retraining and developing small business start-up skills; (2) increase the eligible community’s property tax; and (3) develop alternative economic development strategies to attract new employers to the eligible community.

The Program was awarded \$2,000,000 in fiscal year 2021. Funds were made available until June 30, 2022. The Commissioner was given discretion to award grants under this program through a competitive process. The maximum grant awarded cannot exceed \$500,000. DEED was also statutorily authorized to reimburse the department’s reasonable costs to administer the program up to a maximum of five percent of the appropriation made to the commissioner under the appropriation.

Minnesota Statute 116J.55, Subd. 7, requires the Department of Employment and Economic Development (DEED) to report to the committees of the senate and house of representatives with jurisdiction over economic development and energy by January 15, 2022. The report must describe the number and amount of grants awarded under this program and the uses made of the grant funds by eligible communities awarded grants. This report fulfills that requirement.

How DEED identified Eligible Communities

Minnesota Statute 116J.55 defines an Eligible Community as “a county, municipality or tribal government located in Minnesota in which an electric generating plant owned by a public utility, as defined in section 216B.02, that is powered by coal, nuclear energy, or natural gas[and]: (1) is currently scheduled to cease operations or whose cessation of operations has been proposed in an integrated resource plan filed with the commission under section 216B.2422; or (2) ceased operations or was removed from the local property tax base no earlier than five years before the date an application is made for a grant under the [program.]”

Further, the appropriation language states that funds are appropriated from the renewable development account established in Minnesota statutes 116C.779, subd. 1. It was determined that only those eligible communities who contribute to the account may utilize funding from the account.

DEED also consulted with the Coalition of Utility Cities (CUC) and the Minnesota Department of Commerce to help determine eligible communities.

Grants Awarded under Minnesota Statutes 116J.548

DEED held one grant round in January 2021. Five applications were received in total from the following communities: Sherburne County, and the cities of Monticello, Becker, Oak Park Heights and Granite Falls. DEED’s review of these applications determined that each met the Community Energy Transition Program statute’s goals and DEED awarded all five grants totaling the remaining funds \$1,940,000 after the above-mentioned administrative costs were utilized. Below are details on each awarded grant and the use of funds:

(1) Sherburne County – Interchange Design

DEED Award: \$500,000

Activities	Amount
Alternatives Evaluation	\$30,000.00
Preliminary Design Costs	\$400,000.00
Environmental Documentation	\$50,000.00
Public Engagement	\$30,000.00
TOTAL	\$510,000.00

(2) City of Becker – Sewer and Water

DEED Award: \$455,000

Activities	Amount
Engineering – Surveying, Preliminary and Final Design, and Permitting for a Pump Station, Force Main, and Water Main Loop	\$455,000
TOTAL	\$455,000

(3) City of Oak Park Heights – Impact Studies

DEED Award: \$87,520

Activities	Amount
Utility Feasibility Study	\$36,400
Fiscal Study	\$73,000
TOTAL	\$109,400

(4) City of Monticello – Strategic Transition Plan

DEED Award: \$500,000

Activities	Amount
Strategic Transition Plan	\$190,000
Survey of Identified ED/Industrial Sites	\$50,000
Financing Model	\$45,000
AUAR and Environmental Studies of Identified ED/Industrial Sites	\$75,000
Predesign of Utilities/Roads for Identified ED Sites	\$100,000
Marketing Materials for New ED Sites and Loopnet Subscription Fees	\$25,000
Legislative and Resource Initiatives	\$15,000
TOTAL	\$500,000

(5) City of Granite Falls – Industrial Park

DEED Award: \$397,800

Activities	Amount
Land Acquisition	\$288,000.00
Installation of Sewer and Water Utilities	\$210,000.00
TOTAL	\$498,000.00