

July 1, 2024

Senator Nick A. Frentz, Chair
Energy and Utilities Finance and Policy
Committee
95 University Avenue W.
Minnesota Senate Bldg., Room 3109
St. Paul, MN 55155

Senator Andrew Mathews,
Ranking Minority Member
Energy and Utilities Finance and Policy
Committee
95 University Avenue W.
Minnesota Senate Bldg., Room 2233
St. Paul, MN 55155

Representative Patty Acomb, Chair
Climate and Energy Finance and
Policy Committee
593 State Office Building
100 Rev. Dr. Martin Luther King Jr.
Blvd. St. Paul, MN 55155

Representative Chris Swedzinski,
Ranking Minority Member
Climate and Energy Finance and
Policy Committee
245 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155

RE: Grant Administration Reporting

Dear Chairs and Ranking Members:

This letter addresses the notification requirement set forth by the Legislature in the Laws of 2024, Chapter 126, Article 4 Section 4 (a) as outlined in the language below:

Sec. 4. GRANT ADMINISTRATION REPORTING.

(a) By July 1, 2024, the commissioner of commerce must report to the chairs and ranking minority members of the legislative committees having jurisdiction over energy finance and policy regarding the anticipated costs to administer each named grant and competitive grant program in Laws 2023, chapter 60, article 10, section 2, and Laws 2023, chapter 60, article 11, section 2.

Table 1 below provides current anticipated administrative costs for this biennium for Pass Through Grants which are capped at 5%. Estimated administrative costs are actually less than 1%. Table 2 provides current anticipated administrative costs for this biennium for RFP/Competitive Solicitations which are capped at 10%. First year expenses are anticipated to be lower than second year expenses as the majority of staff to implement these grants and programs were not hired until midyear.

As stated by Minnesota Statute 3.197: This report cost approximately \$900 to prepare, including staff time.

If you have any questions, please do not hesitate to contact me or my team.

Sincerely,



Grace Arnold
Commissioner

Table 1. Pass Through Grants

Grant Programs	Total Appropriation	FY24-25 Total Anticipated Administrative Cost
Clean Energy Economy MN: MN Energy Alley Initiative	\$ 3,000,000	\$ 15,370
University of MN: Clean Energy Resource Teams (CERT)s	\$ 1,000,000	\$ 6,100
Granite Falls: Hydroelectric Facility RDA	\$ 2,000,000	\$ 8,075
City of Anoka: Rum River Dam Feasibility Study	\$ 500,000	\$ 10,330
NRRI: Feasibility Study Battery Storage MN Iron Ore	\$ 500,000	\$ 12,220
MN Power/Allete: High-voltage transmission line btwn ND & MN	\$ 15,000,000	\$ 40,000
University of St. Thomas (UST): Microgrid Research	\$ 3,400,000	\$ 18,087
UST: Research Capacity Building	\$ 4,100,000	\$ 24,222
National Sports Center: Solar Array & Roof (FY25)	\$ 4,200,000	\$ 40,000
TOTAL	\$ 33,700,000	\$ 174,404

Table 2. RFP/Competitive Solicitations

Grant Programs	Total Appropriation	FY24-25 Total Anticipated Administrative Cost
Solar for Schools (K-12, GF)	\$ 15,000,000	\$ 501,610
Solar for Schools (K-12, RDA)	\$ 14,310,000	\$ 482,920
Solar for Schools (MNSCU GF)	\$ 1,138,000	\$ 80,020
Electric Panel Grants (GF)	\$ 3,500,000	\$ 260,000
Electric Panel Grants (RDA)	\$ 3,000,000	\$ 200,000
Benchmarking	\$ 2,108,000	\$ 434,815
Electric School Bus Grants (GF)	\$ 6,000,000	\$ 253,185
Electric School Bus Grants (RDA)	\$ 7,000,000	\$ 273,500
Grid Resilience Grants	\$ 5,300,000	\$ 264,525
HVAC for Schools	\$ 1,000,000	\$ 79,050
On-site Energy Storage (RDA)	\$ 4,000,000	\$ 76,500
On-site Energy Storage (GF)	\$ 3,000,000	\$ 224,220
Solar on Public Buildings	\$ 5,000,000	\$ 363,000

Auto Dealer EV Certification Rebate (GF)	\$ 1,000,000	\$ 23,500
Auto Dealer EV Certification Rebate (RDA)	\$ 1,000,000	\$ 23,500
Weatherization/Pre-Weatherization and Workforce	\$ 45,135,000	\$ 960,000
TOTAL	\$ 117,491,000	\$ 4,500,345