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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 3432

02/17/2020 Authored by Freiberg, Acomb, Bierman, Christensen, Lee and others
The bill was read for the first time and referred to the Energy and Climate Finance and Policy Division

1.1 A bill for an act
1.2 relating to energy; establishing a revolving loan fund for energy conservation in
1.3 state buildings; appropriating money; proposing coding for new law in Minnesota
1.4 Statutes, chapter 216C.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. [216C.372] STATE BUILDING ENERGY CONSERVATION REVOLVING
1.7 LOAN FUND.

1.8 Subdivision 1. Definitions. (a) For purposes of this section, the following terms have
1.9 the meanings given them.

1.10 (b) "Energy conservation" means a net reduction in energy use.

1.11 (c) "Energy conservation improvement" means a measure or program (1) that targets
1.12 consumer behavior, equipment, processes, or devices, and (2) whose implementation is
1.13 designed to result in a net reduction in energy use.

1.14 (d) "Project" means the energy conservation improvements financed by a loan made
1.15 under this section.

1.16 (e) "State building" means a building owned by the state of Minnesota.

1.17 Subd. 2. Establishment. A state building energy conservation revolving loan fund is
1.18 established to make loans to state agencies to implement energy conservation improvements
1.19 in state buildings. The fund must be credited with (1) investment income, and (2) repayments
1.20 of principal and interest. Money in the fund is annually appropriated to the commissioner
1.21 and does not lapse.

2.1 Subd. 3. **Fund management.** The commissioner must manage and administer the state
2.2 building energy conservation revolving loan fund.

2.3 Subd. 4. **Applications.** Applicants for loans must submit an application to the
2.4 commissioner on a form prescribed by the commissioner. An applicant must supply the
2.5 following information:

2.6 (1) the total estimated project cost and the loan amount sought;

2.7 (2) a description of existing equipment, structural elements, operating characteristics,
2.8 and other conditions affecting energy use that the energy conservation improvements financed
2.9 by the loan modify or replace;

2.10 (3) a description of the proposed project;

2.11 (4) a detailed project budget;

2.12 (5) calculations sufficient to demonstrate the proposed project's expected energy and
2.13 monetary savings;

2.14 (6) information demonstrating the agency's ability to repay the loan; and

2.15 (7) any additional information requested by the commissioner.

2.16 Subd. 5. **Loan conditions.** (a) A loan under this section must be made at or below market
2.17 interest rates, including zero interest loans, for a term that does not exceed 15 years.

2.18 (b) Payments of loan principal and interest must begin no later than one year after the
2.19 project is completed.

2.20 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.21 Sec. 2. **APPROPRIATION.**

2.22 Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j),
2.23 \$15,000,000 in fiscal year 2021 is appropriated from the renewable development account
2.24 established under Minnesota Statutes, section 116C.779, subdivision 1, to the commissioner
2.25 of commerce to provide loans to state agencies for energy conservation projects under
2.26 Minnesota Statutes, section 216C.372.

2.27 **EFFECTIVE DATE.** This section is effective the day following final enactment.