

SENATE
STATE OF MINNESOTA
NINETY-FIRST SESSION

S.F. No. 1888

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DATE	D-PG	OFFICIAL STATUS
02/28/2019	585	Introduction and first reading Referred to Jobs and Economic Growth Finance and Policy
03/20/2019	1068	Withdrawn and re-referred to Energy and Utilities Finance and Policy
03/09/2020	5328a	Comm report: To pass as amended and re-refer to Jobs and Economic Growth Finance and Policy
03/16/2020	5472	Comm report: To pass and re-referred to Finance See SF1692

- 1.1 A bill for an act
- 1.2 relating to economic development; creating the community energy transition
- 1.3 competitive grant program; transferring money; creating an advisory council;
- 1.4 requiring reports; appropriating money; proposing coding for new law in Minnesota
- 1.5 Statutes, chapter 116J.
- 1.6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.7 Section 1. [116J.55] COMMUNITY ENERGY TRANSITION GRANTS.
- 1.8 Subdivision 1. Definitions. (a) For the purposes of this section, the terms in this
- 1.9 subdivision have the meanings given.
- 1.10 (b) "Advisory council" means the Community Energy Transition Grant Advisory Council
- 1.11 created in this section.
- 1.12 (c) "Commissioner" means the commissioner of employment and economic development.
- 1.13 (d) "Eligible community" means a county, municipality, or tribal government located
- 1.14 within a county, that hosts or has hosted an investor-owned electric generating plant powered
- 1.15 by coal, nuclear energy, or natural gas.
- 1.16 Subd. 2. Establishment. The commissioner shall establish a community energy transition
- 1.17 grant program to award grants to promote economic development in eligible communities.
- 1.18 Subd. 3. Funding. (a) A community energy transition account is created in the special
- 1.19 revenue fund in the state treasury. Money in the account is appropriated to the commissioner
- 1.20 for grants as provided in this section and must be expended only as provided in this section.
- 1.21 (b) On July 1, 2020, \$15,000,000 and then on July 1, 2021, and on each July 1 thereafter,
- 1.22 \$10,000,000 is transferred from the renewable development account under section 116C.779

2.1 to the commissioner for deposit in the community energy transition account. This transfer
2.2 must be made before any other payments or transfers required under section 116C.779.

2.3 (c) Grants to eligible communities in which an investor-owned electric generating plant
2.4 is located but has not been scheduled for retirement or decommissioning may not exceed
2.5 \$1,000,000. Grants to eligible communities in which an investor-owned electric generating
2.6 plant is located and is scheduled for retirement or decommissioning or already been retired
2.7 or decommissioned may not exceed \$5,000,000.

2.8 (d) Unless amounts are otherwise appropriated for administrative costs, the commissioner
2.9 of employment and economic development may retain up to five percent of the amount
2.10 appropriated for grants under this section for administrative and personnel costs.

2.11 Subd. 4. **Cancellation of grant; return of grant money.** If after five years, the
2.12 commissioner determines that a project has not proceeded in a timely manner and is unlikely
2.13 to be completed, the commissioner must cancel the grant and require the grantee to return
2.14 all grant money awarded for that project. Grant money returned to the commissioner is
2.15 appropriated to the commissioner to make additional grants under this section.

2.16 Subd. 5. **Grants to eligible communities.** (a) The commissioner must award grants to
2.17 eligible communities through a competitive grant process. Grant awards made with funds
2.18 from the renewable development account must be to eligible communities located in the
2.19 service territory of the public utility subject to section 116C.779, or host or have hosted an
2.20 investor-owned electric generating plant owned by the public utility subject to section
2.21 116C.779. Grant awards made from the general fund may be awarded to otherwise eligible
2.22 communities located outside of the service territory of the public utility subject to section
2.23 116C.779.

2.24 (b) To receive grant funds, an eligible community must submit a written application to
2.25 the commissioner, using a form developed by the commissioner.

2.26 (c) For grants awarded to counties, a resolution of support for the project from the city
2.27 within that county that hosts or has hosted the investor-owned electric generating plant is
2.28 required to be submitted with the application.

2.29 (d) The commissioner must consider the recommendations of the Community Energy
2.30 Transition Grant Advisory Council before selecting grant recipients.

2.31 (e) Grants must be used to plan for or address the economic and social impact on the
2.32 community of plant retirement or transition. Specific uses may include but are not limited
2.33 to:

3.1 (1) research;

3.2 (2) planning;

3.3 (3) studies;

3.4 (4) capital improvements; and

3.5 (5) incentives for businesses to open, relocate, or expand.

3.6 Subd. 6. **Priorities.** (a) In evaluating projects, the advisory council shall give priority
3.7 to eligible projects with one or more of the following characteristics:

3.8 (1) the potential of the eligible community to attract a viable business;

3.9 (2) the potential increase in the property tax base of the eligible community, considered
3.10 relative to the fiscal impact of the retirement of the electric generating plant located in the
3.11 eligible community;

3.12 (3) the extent to which the grant will assist the eligible community in addressing the
3.13 fiscal and social impacts of plant retirement;

3.14 (4) the extent to which the grant will help the state transition away from fossil fuels; and

3.15 (5) proximity in time to a scheduled retirement or decommissioning of an electric
3.16 generating plant located in an eligible community.

3.17 (b) The factors listed in paragraph (a) are not ranked in order of priority. The
3.18 commissioner may weigh each factor, depending upon the facts and circumstances, as
3.19 appropriate. The commissioner may consider other factors that support the goals of this
3.20 program.

3.21 Subd. 7. **Advisory council.** (a) By September 1, 2020, the commissioner shall appoint
3.22 representatives to a Community Energy Transition Grant Advisory Council composed of
3.23 the following members:

3.24 (1) the commissioner of employment and economic development, or a designee;

3.25 (2) the commissioner of transportation, or a designee;

3.26 (3) the commissioner of the Minnesota Pollution Control Agency, or a designee;

3.27 (4) the commissioner of natural resources, or a designee;

3.28 (5) the commissioner of commerce, or a designee;

3.29 (6) one representative of the Prairie Island Indian community;

4.1 (7) two representatives of workers at investor-owned electric generating plants powered
4.2 by coal, nuclear energy, or natural gas; and

4.3 (8) four representatives of eligible communities, of which, two must be counties, two
4.4 must be municipalities, at least one must host a coal plant, at least one must host a nuclear
4.5 plant, and at least one must host a natural gas plant.

4.6 After the initial appointments, members of the advisory council shall be appointed no later
4.7 than January 15 of every odd-numbered year and shall serve until January 15 of the next
4.8 odd-numbered year. Members may be removed and vacancies filled as provided in section
4.9 15.059, subdivision 4. Appointed members are eligible for reappointment.

4.10 (b) The advisory council shall elect a chair and other officers at its first meeting.

4.11 (c) The advisory council shall review applications for community energy transition
4.12 grants and make recommendations to the commissioner of employment and economic
4.13 development.

4.14 (d) The commissioner of employment and economic development shall select projects
4.15 from the recommendations made by the advisory council under this subdivision with
4.16 consideration given to the priorities listed in subdivision 6.

4.17 (e) A member of the advisory council must not participate in the consideration of an
4.18 application from the community that member represents.

4.19 (f) Members of the advisory council serve without compensation or payment of expenses.

4.20 (g) The commissioner of employment and economic development or the commissioner's
4.21 designee shall provide meeting space and administrative services for the advisory council.
4.22 All costs necessary to support the advisory council's operations must be absorbed using
4.23 existing appropriations available to the commissioner.

4.24 (h) The advisory council is subject to chapter 13D, but may close a meeting to discuss
4.25 sensitive private business information included in grant applications. Data related to an
4.26 application for a grant submitted to the advisory council is governed by section 13.599.

4.27 (i) The commissioner shall convene the first meeting of the advisory council no later
4.28 than October 1, 2020.

4.29 Subd. 8. **Reports to the legislature.** By January 15, 2022, and each January 15 thereafter,
4.30 the commissioner must submit a report to the chairs and ranking minority members of the
4.31 committees of the house of representatives and the senate having jurisdiction over economic

5.1 development that details the use of grant funds. When possible, this report must include
5.2 data on the economic impact achieved by each grant.

5.3 **Sec. 2. APPROPRIATION; GRANTS TO COMMUNITIES LOCATED OUTSIDE**
5.4 **OF THE SERVICE TERRITORY.**

5.5 \$25,000,000 in fiscal year 2021 is appropriated from the general fund to the commissioner
5.6 of employment and economic development for grants to communities located outside of
5.7 the service territory of the public utility subject to Minnesota Statutes, section 116C.779,
5.8 subdivision 1, that would otherwise be eligible communities under the community energy
5.9 transition grant program under Minnesota Statutes, section 116J.55, but for the location of
5.10 the electric generating plant scheduled for retirement or decommissioning or already retired
5.11 or decommissioned electric generating plant. This is a onetime appropriation and is available
5.12 until expended.