A bill for an act

relating to energy; providing direction for the use of federal stimulus funding for energy programs.

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

Section 1. **FEDERAL STIMULUS FUNDING; GENERAL PRINCIPLES FOR ENERGY PROGRAMS.**

Subdivision 1. **Definition.** For the purpose of sections 1 to 7, "stimulus funding" or "funding" means federal stimulus funding provided to the state by the federal stimulus funding legislation for energy programs, including, without limitation, energy programs described in sections 2 to 7.

Subd. 2. **Stimulus fund allocation and use principles.** Stimulus funding shall be allocated and expended according to the following principles:

(1) project administrators, including the commissioner of commerce, shall attempt to maximize job creation and energy conservation and energy demand reduction that can be achieved by stimulus funding;

(2) consistent with the job creation and energy conservation goals program, projects shall be selected based on relative cost-effectiveness and achieving the maximum ongoing energy savings per stimulus dollar spent and the ability to meet federal deadlines for the obligation and expenditure of federal stimulus funds so that no federal funding is lost due to failure to meet deadlines;

(3) stimulus funding must be used for projects geographically distributed across the state;

(4) whenever practical, stimulus funds should be coordinated with existing utility conservation programs and other leveraged funds. Preference should be given to loan

programs and other programs that recycle funding and effectively coordinate with and leverage existing utility programs and private dollars; and

(5) preference should be given to projects that use stimulus funds immediately and return some of the funds to the state for funding additional projects.

The commissioner of commerce, in coordination with the Departments of Education and Administration, shall develop an action plan to spend stimulus funds consistent with this section. This plan must include application procedures for funding and the development of a system to track all funds expended, energy savings caused, and jobs created by the investment of stimulus funding. The commissioner of commerce may select and hire contractors to assist in the development of the plan and tracking system using expedited procurement procedures.

Sec. 2. **WEATHERIZATION.**

All stimulus funds for weatherization must be allocated by the director of the Office of Energy Security. The director must designate a single staff member responsible for the funds who must approve all fund expenditures along with the director. Existing providers of weatherization services must be fully utilized before additional providers of weatherization services are added. Programs that include rental units shall be developed, including developing procedures to streamline low-income rental unit participation in programs. Priority shall be given to serving the largest number of new weatherization clients consistent with federal eligibility requirements.

Sec. 3. **LOCAL GOVERNMENT BUILDING RENOVATIONS.**

The Department of Commerce and the Office of Energy Security must coordinate the use of stimulus funds with the public building enhanced energy-efficiency program. The commissioner may expedite sole-source contracting for work related to this project. The improvements funded by this project should have a priority for lighting upgrades, energy recommissioning, and other cost-effective energy projects that have already been designed and are ready for immediate implementation. Energy-efficiency conservation block grants may be used to advance public building enhanced energy-efficiency program projects by either reducing energy bills during a savings repayment period or decreasing the number of years for payback of energy improvement investments.

Sec. 4. **SCHOOL DISTRICT BUILDINGS.**

The Department of Education with the assistance of the Department of Commerce and the Office of Energy Security shall develop a plan and procedures to select, fund,

and implement projects for the use of stimulus funds. The Department of Education may expedite sole-source contracting for work related to the improvement. The improvements should have a priority for lighting upgrades, energy recommissioning, and other cost-effective energy projects that have already been designed and are ready for immediate implementation. Energy-efficiency conservation block grants may be used to advance public building enhanced energy-efficiency program projects by either reducing energy bills during a savings repayment period or decreasing the number of years for payback of energy improvement investments.

Sec. 5. **STATE GOVERNMENT BUILDINGS.**

The Department of Administration, with the assistance of the Department of Commerce and the Office of Energy Security, shall develop a plan and procedures to select, fund, and implement projects using stimulus funds. The Department of Administration may expedite sole-source contracting for work related to the improvement. The improvements shall have a priority for lighting upgrades, energy recommissioning, and other cost-effective energy projects that have already been designed and are ready for immediate implementation. Energy-efficiency conservation block grants may be used to advance public building enhanced energy-efficiency program projects by either reducing energy bills during a savings repayment period or decreasing the number of years for payback of energy improvement investments.

Sec. 6. **RESIDENTIAL AND COMMERCIAL INDUSTRIAL PROGRAMS.**

A portion of the stimulus funds received by the Department of Commerce must be used to fund a window replacement and insulation program for existing housing occupied by low or moderate-income households. The development and implementation of this financing program must be coordinated with the Minnesota Housing Finance Agency.

To the extent that funds are available, the Department of Commerce may also provide some funding to projects that serve commercial and industrial facilities.

Sec. 7. **TRAINING AND WORKFORCE DEVELOPMENT.**

Subdivision 1. **Home energy auditors and technicians.** The director of the Office of Energy Security shall oversee training of energy auditors necessary for energy projects using stimulus funding and may allocate funding for that purpose. Technical skills training must include insulation, air sealing, and mechanical work.

Subd. 2. **Energy manager and building operator training.** The director of the Office of Energy Security shall coordinate and monitor training and certification of

energy managers, building operators, and other energy professionals necessary for energy projects using stimulus funding and may allocate funding for that purpose. Training strategies must be designed to meet the wide range of facilities managers and the wide range of buildings sizes and types.

Subd. 3. **Training activity guidelines.** In addition to training individuals already employed in implementing energy programs, the director shall attempt to recruit individuals for training to perform work in energy projects using stimulus funding who are unemployed, especially targeting unemployed or underemployed individuals in construction trades and crafts. The director shall utilize the full capacity of current training providers, including, but not limited to, opportunities industrialization centers, skilled trades labor unions, and nonprofit organizations with historic expertise in energy efficiency.

Sec. 8. **EFFECTIVE DATE.**

Sections 1 to 7 are effective the day following final enactment.