

SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION

S.F. No. 486

(SENATE AUTHORS: DIBBLE, Hoffman, Frentz and Port)

DATE	D-PG	OFFICIAL STATUS
01/23/2025	149	Introduction and first reading Referred to Energy, Utilities, Environment, and Climate
01/30/2025	234	Author added Hoffman
03/04/2026	6487	Author added Frentz
03/25/2026	6963a	Comm report: To pass as amended and re-refer to Finance
	6992	Author added Port

1.1 A bill for an act

1.2 relating to energy; establishing a supplemental energy assistance grant program;

1.3 requiring an annual report; appropriating money; proposing coding for new law

1.4 in Minnesota Statutes, chapter 216C.

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

1.6 Section 1. **[216C.392] SUPPLEMENTAL ENERGY ASSISTANCE GRANT**

1.7 **PROGRAM.**

1.8 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have

1.9 the meanings given.

1.10 (b) "LIHEAP" has the meaning given in section 142G.02, subdivision 59.

1.11 (c) "Crisis grant" means a grant to a low-income household to prevent shut-off of

1.12 residential energy services, to reinstate residential energy services, or to enable delivery of

1.13 residential fuels.

1.14 (d) "Primary energy grant" means a grant to help a low-income household maintain and

1.15 continue affordable energy service.

1.16 Subd. 2. **Establishment.** A supplemental energy assistance grant program is established

1.17 in the department to award grants to eligible applicants. The purpose of the program is to

1.18 assist low-income households experiencing energy burden to pay the costs of heating,

1.19 cooling, and other home energy costs throughout the year.

1.20 Subd. 3. **Applications; procedures.** (a) The commissioner must develop policies and

1.21 procedures governing the grant application and award process, and must leverage existing

1.22 LIHEAP application processes and infrastructure to the maximum degree practicable.

2.1 (b) An eligible applicant must file an application with the commissioner on a form
2.2 developed by the commissioner. The form must be available to eligible applicants in both
2.3 a paper and electronic format.

2.4 (c) The commissioner must accept grant applications and award grants under this section
2.5 throughout the year.

2.6 Subd. 4. **Eligibility.** (a) A Minnesota resident whose household income is below the
2.7 income eligibility threshold identified in the Minnesota LIHEAP Detailed Model Plan
2.8 submitted to the United States Department of Health and Human Services for the applicable
2.9 program year is eligible to receive a grant award under this section. If the LIHEAP Detailed
2.10 Model Plan is not available, the commissioner may develop a similar income eligibility
2.11 threshold.

2.12 (b) An organization with experience conducting outreach for programs designed for
2.13 low-income households is eligible for grants awarded under subdivision 6, clause (4).

2.14 Subd. 5. **Grant awards.** (a) When awarding grants under this section, the commissioner
2.15 must give priority to expanding the number of households receiving energy assistance over
2.16 increasing grant amounts to households that already received assistance under LIHEAP
2.17 during the same year.

2.18 (b) To the extent practicable, available LIHEAP funds must be awarded to all eligible
2.19 applicants for primary energy and crisis grants before energy and crisis grants are awarded
2.20 under this section.

2.21 Subd. 6. **Types of grants.** The commissioner may award grants under this section for:

2.22 (1) crisis grants to households that received a LIHEAP primary energy grant from federal
2.23 funds but did not receive the maximum crisis grant amount while federal funds allocated
2.24 for crisis grants were available;

2.25 (2) primary energy and crisis grants to eligible households that did not receive LIHEAP
2.26 primary energy and crisis grants from federal funds;

2.27 (3) emergency heating system repair or replacement; and

2.28 (4) outreach activities.

2.29 Subd. 7. **Reporting.** (a) Beginning January 31, 2028, and annually thereafter until January
2.30 31, 2030, the commissioner must submit a report to the chairs and ranking minority members
2.31 of the senate and house of representatives committees with primary jurisdiction over energy

3.1 policy and finance that documents state supplemental energy assistance grant awards made
 3.2 under this section during the previous program year from October 1 to September 30.

3.3 (b) To the extent practicable, the following information on grants awarded under this
 3.4 section must be reported by statewide total, by county, and by census tract within cities with
 3.5 populations over 30,000:

3.6 (1) the number of households awarded a grant;

3.7 (2) the number of households served that did not receive a LIHEAP primary energy
 3.8 grant;

3.9 (3) the average primary energy grant award;

3.10 (4) the average crisis grant award; and

3.11 (5) average annual costs of heating and electricity for households served.

3.12 (c) The following information on grants awarded under this section may be reported as
 3.13 statewide totals:

3.14 (1) the average household income of grant recipients;

3.15 (2) a distribution of grant awards by grant recipients' household income expressed as a
 3.16 percentage of the federal poverty level established by the United States Department of
 3.17 Health and Human Services;

3.18 (3) the number of households that include a person over 60 years old;

3.19 (4) the number of households that include a disabled person;

3.20 (5) the number of households that include a child under six years old; and

3.21 (6) the number of households served by race or ethnicity.

3.22 (d) A report under this section must comply with the provisions of chapter 13, including
 3.23 provisions establishing data on individuals as not public in order to ensure the individual
 3.24 privacy of applicants.

3.25 **Sec. 2. APPROPRIATION.**

3.26 (a) \$40,000,000 in fiscal year 2027 is appropriated from the general fund to the
 3.27 commissioner of commerce for the supplemental energy assistance grant program under
 3.28 Minnesota Statutes, section 216C.392. This is a onetime appropriation and is available until
 3.29 December 31, 2029.

3.30 (b) Of the amount appropriated in paragraph (a):

4.1 (1) up to 12.5 percent may be used for staffing and other costs associated with
4.2 administering the supplemental energy assistance grant program under Minnesota Statutes,
4.3 section 216C.392, including program planning and preparation, reviewing applications and
4.4 verifying information, and entering data into a central electronic system maintained by the
4.5 Department of Commerce. Of this funding, up to 2.5 percent may be used by the Department
4.6 of Commerce. The remaining amount allocated under this clause may be used to reimburse
4.7 reasonable administrative costs incurred under Minnesota Statutes, section 216C.392, by
4.8 service providers contracted by the Department of Commerce to deliver LIHEAP services;
4.9 and

4.10 (2) up to five percent may be used to reimburse the reasonable costs incurred under
4.11 Minnesota Statutes, section 216C.392, by organizations the department has contracted with
4.12 to provide outreach and assistance to households to complete grant applications under
4.13 Minnesota Statutes, section 216C.392. Priority for grants awarded under this clause must
4.14 be given to organizations that have the ability to conduct outreach to underserved
4.15 communities and populations, including current service providers and other organizations.