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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 1148

02/14/2019 Authored by Christensen, Acomb, Hornstein, Edelson and Kunesh-Podein The bill was read for the first time and referred to the Committee on Ways and Means

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

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

1.6 Section 1. 216C.372 SCHOOL ENERGY CONSERVATION REVOLVING LOAN
1.7 FUND.

1.8 Subdivision 1. Definitions. (a) For the 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 that targets
1.12 consumer behavior, equipment, processes, or devices designed to result in a net reduction
1.13 in energy use when implemented.

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

1.16 (e) "School district" means an independent or special school district.

1.17 Subd. 2. Establishment. A school energy conservation revolving loan fund is established
1.18 to make loans to school districts to implement energy conservation improvements in school
1.19 district buildings. The fund must be credited with investment income and with 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 school
 2.2 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 cost of the project 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 budget for the project;

2.12 (5) calculations sufficient to demonstrate the expected energy and monetary savings that
 2.13 result from implementation of the project;

2.14 (6) information demonstrating the school district'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 must be made at or below market interest rates,
 2.17 including zero interest loans. A loan term must not exceed 15 years.

2.18 (b) Loan principal and interest payments must begin no later than one year after
 2.19 completion of the project.

2.20 Subd. 6. **Exception.** Section 126C.10, subdivision 14, clause (11), does not apply to
 2.21 loans made under this section.

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

2.23 Sec. 2. **APPROPRIATION.**

2.24 (a) \$..... in fiscal year 2020 is appropriated from the renewable development account
 2.25 established under Minnesota Statutes, section 116C.779, subdivision 1, to the commissioner
 2.26 of commerce to provide loans to school districts for energy conservation projects under
 2.27 Minnesota Statutes, section 216C.372. This appropriation must be used only for loans made
 2.28 to school districts in the electric service area of a public utility that owns a nuclear electric
 2.29 generating plant in Minnesota.

2.30 (b) \$..... in fiscal year 2020 is appropriated from the general fund to the commissioner
 2.31 of commerce to provide loans to school districts for energy conservation projects under

- 3.1 Minnesota Statutes, section 216C.372. This appropriation must be used only for loans made
3.2 to school districts outside the electric service area of a public utility that owns a nuclear
3.3 electric generating plant in Minnesota.
- 3.4 **EFFECTIVE DATE.** This section is effective the day following final enactment.