

SENATE
STATE OF MINNESOTA
NINETY-SECOND SESSION

S.F. No. 2204

(SENATE AUTHORS: MATHEWS)

DATE
03/22/2021

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Introduction and first reading
Referred to Energy and Utilities Finance and Policy

OFFICIAL STATUS

1.1 A bill for an act

1.2 relating to economic development; modifying the community energy transition

1.3 grant program; transferring money; appropriating money; amending Minnesota

1.4 Statutes 2020, section 116J.55, subdivisions 1, 7, by adding a subdivision; Laws

1.5 2020, chapter 118, section 5, subdivision 1.

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

1.7 Section 1. Minnesota Statutes 2020, section 116J.55, subdivision 1, is amended to read:

1.8 Subdivision 1. **Definitions.** For the purposes of this section, "eligible community" means

1.9 a county, municipality, or tribal government located in Minnesota in which an electric

1.10 generating plant owned by a public utility, as defined in section 216B.02, that is powered

1.11 by coal, nuclear energy, or natural gas:

1.12 (1) is currently operating and (i) is scheduled to cease operations or, (ii) whose cessation

1.13 of operations has been proposed in an integrated resource plan filed with the commission

1.14 under section 216B.2422, or (iii) whose current operating license expires within 15 years;

1.15 or

1.16 (2) ceased operations or was removed from the local property tax base no earlier than

1.17 five years before the date an application is made for a grant under this section.

1.18 Sec. 2. Minnesota Statutes 2020, section 116J.55, is amended by adding a subdivision to

1.19 read:

1.20 Subd. 6a. **Grant priorities.** When evaluating projects, the commissioner may give

1.21 priority to eligible projects that meet certain criteria, including but not limited to:

(1) the extent to which the grant assists the community to address the fiscal and social impacts of plant retirement;

(2) the potential of the eligible community to attract a viable business; and

(3) the potential increase in the property tax base of the eligible community, considered relative to the fiscal impact of retiring the electric generating units located in the eligible community.

Sec. 3. Minnesota Statutes 2020, section 116J.55, subdivision 7, is amended to read:

Subd. 7. **Report.** ~~By~~ (a) Beginning January 15, 2022, and annually thereafter, the commissioner must submit a report to the chairs and ranking minority members of the committees of the senate and house of representatives with jurisdiction over economic development and energy. The report must describe the number and amount of grants awarded under this section and the uses made of grant funds by eligible communities awarded grants.

(b) Notwithstanding paragraph (a), a report is not required in a year in which no grants have been awarded under subdivision 5 since the prior year's report was submitted.

Sec. 4. Laws 2020, chapter 118, section 5, subdivision 1, is amended to read:

Subdivision 1. **Community energy transition grants.** (a) Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j), \$2,000,000 in fiscal year 2021 is appropriated from the renewable development account established in Minnesota Statutes, section 116C.779, subdivision 1, to the commissioner of employment and economic development for deposit in the community energy transition account established in Minnesota Statutes, section 116J.55, subdivision 3. This is a onetime appropriation ~~and is available until June 30, 2022.~~

(b) If another bill is enacted during the 2020 regular legislative session that appropriates money from the renewable development account established in Minnesota Statutes, section 116C.779, subdivision 1, for the same general purpose as provided under Minnesota Statutes, section 116J.55, the appropriation under this subdivision cancels to the renewable development account under Minnesota Statutes, section 116C.779, subdivision 1.

Sec. 5. **TRANSFER; APPROPRIATION; COMMUNITY ENERGY TRANSITION GRANTS.**

(a) Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j), \$3,000,000 in fiscal year 2022 and \$3,000,000 in fiscal year 2023 are transferred from the

3.1 renewable development account established in Minnesota Statutes, section 116C.779,
3.2 subdivision 1, to the commissioner of employment and economic development for deposit
3.3 in the community energy transition account established in Minnesota Statutes, section
3.4 116J.55, subdivision 3. This is a onetime transfer.

3.5 (b) \$1,000,000 in fiscal year 2022 and \$1,000,000 in fiscal year 2023 are appropriated
3.6 from the general fund to the commissioner of employment and economic development for
3.7 grants to communities located outside of the service territory of the public utility subject to
3.8 Minnesota Statutes, section 116C.779, subdivision 1, that would otherwise be eligible
3.9 communities under the community energy transition grant program under Minnesota Statutes,
3.10 section 116J.55, except for the location of (1) the electric generating plant scheduled for
3.11 retirement or decommissioning, or (2) the already retired or decommissioned electric
3.12 generating plant. This is a onetime appropriation.