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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 3897

03/03/2022

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The bill was read for the first time and referred to the Committee on Climate and Energy Finance and Policy

1.1 A bill for an act  
1.2 relating to energy; establishing a grant program to upgrade electric panels in  
1.3 residential buildings; appropriating money; proposing coding for new law in  
1.4 Minnesota Statutes, chapter 216C.

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

1.6 Section 1. [216C.45] RESIDENTIAL ELECTRIC PANEL UPGRADE GRANTS;  
1.7 PILOT 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) "Electric panel" means a panel in a building, including any subpanels, that consists  
1.11 of a main circuit breaker that regulates several other circuit breakers to prevent overloading  
1.12 and distributes electricity throughout the building.

1.13 (c) "Income-eligible" means having an individual or household income at or less than  
1.14 60 percent of the state median individual or household income, as applicable, for the most  
1.15 recent year available.

1.16 (d) "Multifamily building" means a building that contains two or more units.

1.17 (e) "Phase I" means the phase of the program established in this section that begins when  
1.18 the first grant application is received by the department and ends the later of one year after  
1.19 the date the first grant application is received or when 40 percent of funds appropriated to  
1.20 the program have been expended.

1.21 (f) "Phase II" means the phase of the program established in this section that begins  
1.22 when Phase I terminates and ends one year later.

2.1 (g) "Single-family residence" means a building that contains one unit.

2.2 (h) "Unit" means a residential living space occupied by an individual or a household.

2.3 (i) "Upgrade" means (1) the installation of equipment or devices required to bring an  
2.4 electric panel to a total rating of 200 amperes, and (2) the repair or replacement of the  
2.5 equipment or device's wiring to ensure safe operation.

2.6 Subd. 2. **Program establishment.** A residential electric panel upgrade grant program  
2.7 is established as a pilot program in the department to provide financial assistance to owners  
2.8 of single-family residences and multifamily buildings to upgrade a residence's electric panel.

2.9 Subd. 3. **Application process.** An applicant seeking a grant under this section must  
2.10 submit an application to the commissioner on a form developed by the commissioner. The  
2.11 commissioner must develop administrative procedures to govern how eligibility is  
2.12 determined, applications are reviewed, and grants are awarded. The commissioner is the  
2.13 fiscal agent for the grant program and is responsible for reviewing applications and awarding  
2.14 grants under this section. The commissioner may contract with a third party to conduct some  
2.15 or all of the pilot program's operations.

2.16 Subd. 4. **Eligibility.** (a) In Phase I, an owner of a single-family residence whose occupants  
2.17 are income-eligible is eligible to receive a grant under this section.

2.18 (b) In Phase I, an owner of a multifamily building is eligible to receive a grant under  
2.19 this section based on the same multifamily building criteria established by the commissioner  
2.20 under section 216B.2403, subdivision 5, paragraph (e).

2.21 (c) In Phase II, all owners of single-family residences and multifamily buildings are  
2.22 eligible to receive a grant under this section, regardless of the income of the occupants of  
2.23 the building.

2.24 Subd. 5. **Grant amount.** (a) A grant issued under this section must be used to pay the  
2.25 cost of an upgrade made by an eligible owner. A grant under this section must not exceed  
2.26 the cost incurred to make an upgrade.

2.27 (b) The maximum grant award to an owner of a single-family residence under this section  
2.28 is \$2,500.

2.29 (c) The maximum grant award to an owner of a multifamily building under this section  
2.30 is the sum of (1) \$2,500, plus (2) \$500 multiplied by the number of units in the multifamily  
2.31 building. A grant under this paragraph must not exceed \$12,500 per multifamily building.

3.1 Subd. 6. **Limitation.** No more than one grant may be awarded to an owner under this  
 3.2 section for work conducted at the same single-family residence or multifamily building.

3.3 Subd. 7. **Report.** (a) No later than 90 days after the date each of Phases I and II of the  
 3.4 program ends, the department must submit a report to the chairs and ranking minority  
 3.5 members of the legislative committees with primary responsibility for climate and energy  
 3.6 policy.

3.7 (b) The report must summarize program outcomes, and must report separately, at a  
 3.8 minimum:

3.9 (1) the number of units in multifamily buildings and the number of single-family  
 3.10 residences whose owners received grants;

3.11 (2) the median income of the households in multifamily buildings and in single-family  
 3.12 residences whose owners received grants; and

3.13 (3) the average amount of grants awarded in multifamily buildings and in single-family  
 3.14 residences.

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

3.16 Sec. 2. **APPROPRIATION.**

3.17 (a) Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j),  
 3.18 \$..... in fiscal year 2023 is appropriated from the renewable development account established  
 3.19 in Minnesota Statutes, section 116C.779, subdivision 1, to the commissioner of commerce  
 3.20 to award grants under Minnesota Statutes, section 216C.45, and pay the reasonable costs  
 3.21 incurred by the department to administer that section. Appropriations made under this  
 3.22 paragraph may only be used for grants to owners of residences that are located within the  
 3.23 electric service area of the public utility that is subject to Minnesota Statutes, section  
 3.24 116C.779. This is a onetime appropriation and is available until December 31, 2024. Any  
 3.25 unexpended money after that date cancels to the renewable development account.

3.26 (b) \$..... in fiscal year 2023 is appropriated from the general fund to the commissioner  
 3.27 of commerce to award grants under Minnesota Statutes, section 216C.45, and pay the  
 3.28 reasonable costs incurred by the department to administer that section. This is a onetime  
 3.29 appropriation and is available until December 31, 2024. Any unexpended money after that  
 3.30 date cancels to the general fund.

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