

SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION

S.F. No. 2513

(SENATE AUTHORS: PUTNAM, Frenz and Weber)

DATE	D-PG	OFFICIAL STATUS
03/06/2023	1338	Introduction and first reading Referred to Energy, Utilities, Environment, and Climate
03/20/2023	1974a	Comm report: To pass as amended and re-refer to Agriculture, Broadband, and Rural Development
03/22/2023	2175a	Comm report: To pass as amended and re-refer to Finance See HF2310

1.1 A bill for an act

1.2 relating to energy; appropriating money to support investment in green fertilizer

1.3 production using renewable energy; requiring reports.

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

1.5 Section 1. **SUPPORTING INVESTMENT IN GREEN FERTILIZER PRODUCTION;**

1.6 **APPROPRIATION.**

1.7 (a) \$70,000,000 in fiscal year 2024 is appropriated from the general fund to the

1.8 commissioner of agriculture for grants to cooperatives to invest in green fertilizer production

1.9 facilities. This is a onetime appropriation and is available until June 30, 2032.

1.10 (b) A grant under this section must include a long-term agreement to purchase nitrogen

1.11 fertilizer for cooperative members. Renewable energy, hydrogen, and ammonia may be

1.12 produced elsewhere, but the final production of nitrogen fertilizer must occur within

1.13 Minnesota.

1.14 (c) For purposes of this section:

1.15 (1) a cooperative includes an agricultural or rural electric cooperative organized under

1.16 Minnesota Statutes, chapter 308A or 308B;

1.17 (2) green fertilizer production facilities are facilities that use renewable energy to produce

1.18 anhydrous ammonia, urea, or hydrogen;

1.19 (3) "green hydrogen" means hydrogen produced by splitting water molecules using:

1.20 (i) grid-based electrolyzers that have matched their electricity consumption with wind

1.21 or solar; or

2.1 (ii) electrolyzers connected directly to a wind or solar facility; and

2.2 (4) "green fertilizer" means a nitrogen-based fertilizer produced from green hydrogen.

2.3 (d) The commissioner must develop criteria and scoring procedures for evaluating and
2.4 awarding grants. The maximum grant award for a cooperative is \$7,000,000.

2.5 (e) Up to five percent of the amount in paragraph (a) may be used by the department to
2.6 administer this section.

2.7 (f) By December 15 each year, the commissioner must report to the chairs and ranking
2.8 minority members of the legislative committees with jurisdiction over agriculture to provide
2.9 an update on the progress of projects funded by this appropriation. Each report must include
2.10 how much of this appropriation has been used, including the amount used for administration.
2.11 The commissioner may include additional information of interest or relevance to the
2.12 legislature. This paragraph expires December 31, 2031.

2.13 (g) By December 15, 2032, the commissioner must complete a final report to the chairs
2.14 and ranking minority members of the legislative committees with jurisdiction over agriculture
2.15 regarding the uses and impacts of this appropriation. The final report must include a list of
2.16 the grants awarded, the amount of the appropriation used for administration, the amount of
2.17 green fertilizer produced, and a summary of the economic and environmental impacts of
2.18 this production compared to the production and purchase of conventionally produced
2.19 fertilizer. The commissioner may include additional information of interest or relevance to
2.20 the legislature. This paragraph expires December 31, 2032.