SENATE

STATE OF MINNESOTA
NINETIETH SESSION

S.F. No. 3577

DATE	D-PG	OFFICIAL STATUS
03/19/2018	6783	Introduction and first reading
		Referred to Energy and Utilities Finance and Policy

1.1   A bill for an act

1.2   relating to energy; establishing an emerald ash borer removal grant program;
1.3   appropriating money; proposing coding for new law in Minnesota Statutes, chapter
1.4   216C.

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

1.6   Section 1. **[216C.437] LOCAL GOVERNMENT EMERALD ASH BORER**

1.7   **REMOVAL GRANT PROGRAM.**

1.8   Subdivision 1. **Establishment.** The Department of Agriculture must establish a program

1.9   to:

1.10   (1) assist eligible local units of government collect and dispose of the wood waste created

1.11   when ash trees are removed from public land due to either (i) emerald ash borer infestation,

1.12   or (ii) an emerald ash borer management program;

1.13   (2) award grants to process the wood waste into usable biomass fuel, properly transport

1.14   the biomass fuel to an eligible district heating and cooling system cogeneration facility, and

1.15   use the biomass fuel to generate electricity and thermal energy; and

1.16   (3) reduce the biomass fuel costs passed through by an eligible heating and cooling

1.17   system cogeneration facility to the public utility that owns the Prairie Island nuclear

1.18   generating plant.

1.19   Subd. 2. **Eligibility.** In order to be eligible for the program under subdivision 1, an

1.20   applicant must be a district heating and cooling system cogeneration facility that:

1.21   (1) is located in the city of St. Paul;

1.22   (2) operates as a nonprofit entity;

2.1   (3) accepts wood waste from a local unit of government that is:

2.2   (i) located within the service area of the public utility that is subject to section 116C.779;

2.3   (ii) located in a county or portion of a county that has been designated by the

2.4   commissioner of agriculture as quarantined with respect to the transportation of woody

2.5   materials from ash trees due to demonstrated emerald ash borer infestation; and

2.6   (iii) responsible for the removal of diseased ash trees from public lands within its

2.7   jurisdiction; and

2.8   (4) uses biomass fuel to generate electricity and thermal energy.

2.9   Subd. 3. **Eligible expenditures.** (a) Grants may be awarded under this section to an

2.10   eligible recipient under subdivision 2 to:

2.11   (1) process into acceptable biomass fuel woody materials containing ash trees that have

2.12   been removed due to disease or implementation of an emerald ash borer management

2.13   program; or

2.14   (2) transport processed biomass fuel, woody materials infested by emerald ash borer,

2.15   and woody material removed under an emerald ash borer management program to a storage

2.16   location or to the district heating and cooling system cogeneration facility in downtown St.

2.17   Paul.

2.18   (b) Grant funds may be used to pay reasonable costs incurred by the Department of

2.19   Agriculture to administer this section.

2.20   Subd. 4. **Expiration.** This program expires the day after the power purchase agreement

2.21   in effect on January 1, 2018, between an eligible heating and cooling system cogeneration

2.22   facility and the public utility that owns the Prairie Island nuclear generating plant expires.

2.23   This section does not extend or renew a power purchase agreement referenced in this

2.24   subdivision.

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

2.26   Sec. 2. **APPROPRIATION.**

2.27 $6,000,000 is appropriated each year from the renewable development account established

2.28   in Minnesota Statutes, section 116C.779, beginning in fiscal year 2018 and continuing

2.29   through fiscal year 2023. The commissioner of commerce must transfer the funds to the

2.30   commissioner of agriculture to fund the grant program under Minnesota Statutes, section

2.31   216C.437. Any funds remaining at the end of a fiscal year do not cancel to the renewable

2.32   development account but remain available until spent.