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State of Minnesota
HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 70

01/11/2021 Authored by Freiberg, Reyer and Lippert

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

02/08/2021 Adoption of Report: Amended and re-referred to the Committee on State Government Finance and Elections

1.1 A bill for an act

1.2 relating to energy; establishing a revolving loan account for energy conservation

1.3 in state buildings; appropriating money; amending Minnesota Statutes 2020,

1.4 sections 16B.86; 16B.87.

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

1.6 Section 1. Minnesota Statutes 2020, section 16B.86, is amended to read:

1.7 **16B.86 ~~PRODUCTIVITY~~ STATE BUILDING ENERGY CONSERVATION**

1.8 **IMPROVEMENT REVOLVING LOAN ACCOUNT.**

1.9 Subdivision 1. **Definitions.** (a) For purposes of this section and section 16B.87, the

1.10 following terms have the meanings given them.

1.11 (b) "Energy conservation" means a net reduction in energy use.

1.12 (c) "Energy conservation improvement" means a project that results in energy efficiency

1.13 or energy conservation.

1.14 (d) "Energy efficiency" means measures or programs:

1.15 (1) that target consumer behavior, equipment, processes, or devices; and

1.16 (2) whose implementation is designed to result in a net reduction in energy use.

1.17 (e) "Project" means the energy conservation improvements financed by a loan made

1.18 under this section.

1.19 (f) "State building" means a building owned by the state of Minnesota.

1.20 Subd. 2. **Account established.** The ~~productivity~~ state building energy conservation

1.21 improvement revolving loan account is established as a ~~special~~ separate account in the state

treasury. The commissioner shall credit to the account investment income, repayments of principal and interest, and any other earnings arising from assets of the account. Money in the account is annually appropriated to the commissioner of administration to make loans to finance agency projects that will result in either reduced operating costs or increased revenues, or both, for a state agency state agencies to implement energy conservation and energy efficiency improvements in state buildings under section 16B.87. Money in the account remains in the account until expended.

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

Sec. 2. Minnesota Statutes 2020, section 16B.87, is amended to read:

16B.87 AWARD AND REPAYMENT OF PRODUCTIVITY STATE BUILDING ENERGY IMPROVEMENT CONSERVATION LOANS.

Subdivision 1. **Committee.** The Productivity State Building Energy Conservation Improvement Loan Committee consists of the commissioners of administration, management and budget, and ~~revenue~~ commerce. The commissioner of administration serves as chair of the committee. The members serve without compensation or reimbursement for expenses.

Subd. 2. **Award and terms of loans.** (a) An agency shall apply for a loan on a form ~~provided~~ developed by the commissioner of administration; that requires an applicant to submit the following information:

(1) a description of the proposed project, including existing equipment, structural elements, operating characteristics, and other conditions affecting energy use that the energy conservation improvements financed by the loan modify or replace;

(2) the total estimated project cost and the loan amount sought;

(3) a detailed project budget;

(4) projections of the proposed project's expected energy and monetary savings;

(5) information demonstrating the agency's ability to repay the loan; and

(6) any additional information requested by the commissioner.

(b) The committee shall review applications for loans and shall award a loan based upon criteria adopted by the committee. ~~The committee shall determine the amount, interest, and other terms of the loan. The time for repayment of a loan may not exceed five years.~~

Subd. 3. **Repayment.** An agency receiving a loan under this section shall repay the loan according to the terms of the loan agreement. The principal and interest must be paid to the

3.1 commissioner of administration, who shall deposit it in the ~~productivity~~ state building energy
3.2 conservation improvement revolving loan fund account. Payments of loan principal and
3.3 interest must begin no later than one year after the project is completed.

3.4 Sec. 3. **TRANSFER.**

3.5 Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j),
3.6 \$15,000,000 in fiscal year 2022 is transferred from the renewable development account
3.7 established under Minnesota Statutes, section 116C.779, subdivision 1, to the commissioner
3.8 of administration for deposit in the state building energy conservation improvement account
3.9 established in Minnesota Statutes, section 16B.86, for the purpose of providing loans to
3.10 state agencies for energy conservation projects under Minnesota Statutes, section 16B.87.

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