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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 1398

02/08/2023 Authored by Hill, Lislegard and Kraft
The bill was read for the first time and referred to the Committee on Economic Development Finance and Policy
03/06/2023 Adoption of Report: Re-referred to the Committee on Climate and Energy Finance and Policy

1.1 A bill for an act
1.2 relating to economic development; modifying the community energy transition
1.3 grant program; appropriating money; amending Minnesota Statutes 2022, section
1.4 116J.55, subdivisions 1, 5, 6.

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

1.6 Section 1. Minnesota Statutes 2022, section 116J.55, subdivision 1, is amended to read:

1.7 Subdivision 1. Definitions. For the purposes of this section, "eligible community" means
1.8 a county, municipality, or tribal government located in Minnesota in which an electric
1.9 generating plant owned by a public utility, as defined in section 216B.02, that is powered
1.10 by coal, nuclear energy, or natural gas:

1.11 (1) is currently operating and (i) is scheduled to cease operations or, (ii) whose cessation
1.12 of operations has been proposed in an integrated resource plan filed with the commission
1.13 under section 216B.2422, or (iii) whose current operating license expires within 15 years
1.14 of the effective date of this section; or

1.15 (2) ceased operations or was removed from the local property tax base no earlier than
1.16 five years before the date an application is made for a grant under this section.

1.17 Sec. 2. Minnesota Statutes 2022, section 116J.55, subdivision 5, is amended to read:

1.18 Subd. 5. Grant awards; limitations. (a) The commissioner must award grants under
1.19 this section to eligible communities through a competitive grant process.

1.20 (b) (a) A grant awarded to an eligible community under this section must not exceed
1.21 \$500,000 \$1,000,000 in any calendar year. The commissioner may accept grant applications
1.22 on an ongoing or rolling basis.

2.1 (e) (b) Grants funded with revenues from the renewable development account established
 2.2 in section 116C.779 must be awarded to an eligible community located within the retail
 2.3 electric service territory of the public utility that is subject to section 116C.779 or to an
 2.4 eligible community in which an electric generating plant owned by that public utility is
 2.5 located.

2.6 Sec. 3. Minnesota Statutes 2022, section 116J.55, subdivision 6, is amended to read:

2.7 Subd. 6. **Eligible expenditures.** (a) Money in the account established in subdivision 3
 2.8 must be used only to:

2.9 (1) award grants to eligible communities under this section; and

2.10 (2) reimburse the department's reasonable costs to administer this section, up to a
 2.11 maximum of five percent of the appropriation made to the commissioner under this section.
 2.12 The commissioner may transfer part of the allowable administrative portion of this
 2.13 appropriation to the Environmental Quality Board to assist communities with regulatory
 2.14 coordination and dedicated technical assistance on conversion for these communities.

2.15 (b) An eligible community awarded a grant under this section may use the grant to plan
 2.16 for or address the economic and social impacts on the eligible community of the electric
 2.17 generating plant's cessation of operations, including but not limited to land use studies,
 2.18 economic planning, researching, planning, and implementing activities, capital costs of
 2.19 public infrastructure necessary for economic development, and impact studies and other
 2.20 planning activities enabling communities to become shovel-ready and support the transition
 2.21 from power plants to other economic activities to minimize the negative impacts of power
 2.22 plant closures on tax revenues and jobs designed to:

2.23 (1) assist workers at the plant find new employment, including worker retraining and
 2.24 developing small business start-up skills;

2.25 (2) increase the eligible community's property tax base; and

2.26 (3) develop alternative economic development strategies to attract new employers to the
 2.27 eligible community.

2.28 Sec. 4. **APPROPRIATIONS; COMMUNITY ENERGY TRANSITION GRANTS.**

2.29 \$5,000,000 in fiscal year 2024 and \$5,000,000 in fiscal year 2025 are appropriated from
 2.30 the general fund to the commissioner of employment and economic development for the
 2.31 community energy transition grant program under Minnesota Statutes, section 116J.55.
 2.32 These appropriations are onetime and are available until expended.