A bill for an act

relating to energy; providing for grants to schools and public buildings installing heating units that use biomass; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 216C.

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

Section 1. **[216C.355] RENEWABLE ENERGY GRANTS FOR SCHOOLS AND PUBLIC BUILDINGS.**

Subdivision 1. **Definitions.** (a) "Biomass" means a heating fuel processed into a solid form from the following sources:

(1) herbaceous crops;

(2) agricultural waste; or

(3) trees and other woody crops grown specifically for utilization as a biomass heating source.

(b) "Energy project study" means a study of a biomass energy-related capital improvement project analyzed in sufficient detail to support a grant application. At a minimum, it must include one year of energy consumption and cost data, a description of existing and proposed energy facilities and conditions, a detailed description of the costs of the project, and calculations sufficient to document the proposed energy and cost savings.

Subd. 2. **Eligibility.** Subject to the availability of funds, the commissioner shall approve grants to a K-12 public school or a county, city, town, or any other political subdivision for the costs of purchasing and installing a heating unit designed to burn biomass in a building owned by the grant recipient. A grant may be provided under this section only for a heating unit purchased after July 1, 2007, that is listed by Underwriters Laboratories. A grant may not exceed the lesser of 25 percent of the total costs of purchasing and installing an eligible heating unit or $50,000. The commissioner shall endeavor to award grants throughout the regions of the state. No more than one grant may be awarded in a county, unless an insufficient number of applications is received from applicants located in other counties to exhaust available funds.

Subd. 3. **Application.** Application for a grant under this section must be made by an eligible applicant to the commissioner on a form the commissioner prescribes by rule. The commissioner shall review each application to determine:

(1) whether the application is complete;

(2) whether the information, calculations, and estimates contained in the energy project study are appropriate, accurate, and reasonable;

(3) whether the project is eligible for a grant;

(4) the amount of the grant for which the project is eligible; and

(5) other funding sources the applicant proposes to use to finance the project in addition to a grant authorized by this section.

Subd. 4. **Additional information.** During application review, the commissioner may request additional information about a proposed project, including information on project cost. Failure to provide information requested disqualifies a grant application.

Subd. 5. **Public accessibility of grant application data.** Data contained in an application submitted to the commissioner for a grant under this section, including supporting technical documentation, is classified as "public data not on individuals" under section 13.02, subdivision 14.

Subd. 6. **Conditions for grant approval.** The commissioner may approve a grant to an applicant only if the applicant demonstrates that the renewable energy project has a payback period of ten years or less, and that it has made adequate provisions to assure proper and efficient operation of the facility once the project is completed.

Subd. 7. **Rules.** The commissioner shall adopt rules necessary to implement this section. The rules must contain at a minimum:

(1) standards for project eligibility;

(2) criteria for reviewing grant applications; and

(3) procedures and guidelines for program monitoring and evaluation.

Sec. 2. **APPROPRIATION.**

$500,000 is appropriated from the general fund to the commissioner of commerce for the grants described in section 1.

Sec. 3. **EFFECTIVE DATE.**

Sections 1 and 2 are effective the day following final enactment.