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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 1919

02/28/2019 Authored by Christensen, Nornes, Mekeland, O'Neill, Miller and others
The bill was read for the first time and referred to the Committee on Ways and Means

1.1 A bill for an act
1.2 relating to economic development; creating the community energy transition
1.3 competitive grant program; transferring money; creating an advisory council;
1.4 requiring reports; proposing coding for new law in Minnesota Statutes, chapter
1.5 116J.

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

1.7 Section 1. 116J.55 COMMUNITY ENERGY TRANSITION GRANTS.

1.8 Subdivision 1. Definitions. (a) For the purposes of this section, the terms in this
1.9 subdivision have the meanings given.

1.10 (b) "Advisory council" means the Community Energy Transition Grant Advisory Council
1.11 created in this section.

1.12 (c) "Commissioner" means the commissioner of employment and economic development.

1.13 (d) "Eligible community" means a county, municipality, or tribal government that hosts
1.14 an investor-owned electric generating plant powered by coal, nuclear energy, or natural gas.

1.15 Subd. 2. Establishment. The commissioner shall establish a community energy transition
1.16 grant program to award grants to promote economic development in eligible communities.

1.17 Subd. 3. Funding. (a) A community energy transition account is created in the special
1.18 revenue fund in the state treasury. Money in the account is appropriated to the commissioner
1.19 for grants as provided in this section and must be expended only as provided in this section.

1.20 (b) On July 1, 2019, \$15,000,000 is transferred from the renewable development account
1.21 under section 116C.779 to the commissioner for deposit in the community energy transition
1.22 account.

2.1 (c) On July 1, 2020, and on each July 1 thereafter, \$10,000,000 is transferred from the
2.2 renewable development account under section 116C.779 to the commissioner for deposit
2.3 in the community energy transition account. This transfer must be made before any other
2.4 payments or transfers required under section 116C.779.

2.5 (d) Until July 1, 2024, expenditures from the community energy transition account must
2.6 be less than \$2,000,000 each fiscal year.

2.7 Subd. 4. **Grants to eligible communities.** (a) The commissioner must award grants to
2.8 eligible communities through a competitive grant process.

2.9 (b) To receive grant funds, an eligible community must submit a written application to
2.10 the commissioner, using a form developed by the commissioner.

2.11 (c) The commissioner must consider the recommendations of the Community Energy
2.12 Transition Grant Advisory Council before selecting grant recipients.

2.13 (d) Grants must be used to plan for or address the economic and social impact on the
2.14 community of plant retirement or transition. Specific uses may include but are not limited
2.15 to:

2.16 (1) research;

2.17 (2) planning;

2.18 (3) studies;

2.19 (4) capital improvements;

2.20 (5) incentives for businesses to open, relocate, or expand; and

2.21 (6) job training.

2.22 Subd. 5. **Advisory council.** (a) By September 1, 2019, the commissioner shall appoint
2.23 representatives to a Community Energy Transition Grant Advisory Council composed of
2.24 the following members:

2.25 (1) the commissioner of employment and economic development, or a designee;

2.26 (2) the commissioner of transportation, or a designee;

2.27 (3) the commissioner of the Minnesota Pollution Control Agency, or a designee;

2.28 (4) the commissioner of natural resources, or a designee;

2.29 (5) the commissioner of commerce, or a designee;

2.30 (6) the commissioner of administration, or a designee;

3.1 (7) one representative of the Prairie Island Indian community;

3.2 (8) two representatives of workers at investor-owned electric generating plants powered
3.3 by coal, nuclear energy, or natural gas; and

3.4 (9) four representatives of eligible communities, of which, two must be counties, two
3.5 must be municipalities, at least one must host a coal plant, and at least one must host a
3.6 nuclear plant.

3.7 After the initial appointments, members of the advisory council shall be appointed no later
3.8 than January 15 of every odd-numbered year and shall serve until January 15 of the next
3.9 odd-numbered year. Members may be removed and vacancies filled as provided in section
3.10 15.059, subdivision 4. Appointed members are eligible for reappointment.

3.11 (b) The advisory council shall elect a chair and other officers at its first meeting.

3.12 (c) The advisory council shall review applications for community energy transition
3.13 grants and make recommendations to the commissioner of employment and economic
3.14 development.

3.15 (d) A member of the advisory council must not participate in the consideration of an
3.16 application from the community that member represents.

3.17 (e) Members of the advisory council serve without compensation or payment of expenses.

3.18 (f) The commissioner of employment and economic development or the commissioner's
3.19 designee shall provide meeting space and administrative services for the advisory council.
3.20 All costs necessary to support the advisory council's operations must be absorbed using
3.21 existing appropriations available to the commissioner.

3.22 (g) The advisory council is subject to chapter 13D, but may close a meeting to discuss
3.23 sensitive private business information included in grant applications. Data related to an
3.24 application for a grant submitted to the advisory council is governed by section 13.599.

3.25 (h) The commissioner shall convene the first meeting of the advisory council no later
3.26 than September 1, 2019.

3.27 Subd. 6. **Reports to the legislature.** By January 15, 2021, and each January 15 thereafter,
3.28 the commissioner must submit a report to the chairs and ranking minority members of the
3.29 committees of the house of representatives and the senate having jurisdiction over economic
3.30 development that details the use of grant funds. When possible, this report must include
3.31 data on the economic impact achieved by each grant.