



Presentation: House Climate and Energy Policy and Finance Committee



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Federal Infrastructure and Jobs Act: BENEFITS FOR MINNESOTA

- Save money and save energy for Minnesota families and businesses in the short term and long run
- Benefit Minnesota taxpayers by leveraging federal dollars
- Grow businesses and jobs in innovative areas of technology and energy
- Help communities be better prepared for the future



Federal Infrastructure and Jobs Act: THE OPPORTUNITY

- One-time funding to enhance grid reliability and resilience, lower energy costs, training workers for in-demand jobs, growing businesses and technology and more...
- Some formula; mostly competitive funding



Federal Infrastructure and Jobs Act: THE CHALLENGES

- State match funding needed in some cases
- Smaller entities' required match may be challenging for them
- Workforce capacity
- Pace dictated by federal rollout
 - Build.Gov - Guidebook from White House published recently

Grid Resilience and Reliability

Energy Security

- Energy security planning via State Energy Program

Grid Resilience and Reliability – Prevent Outages

- TBD amount - U.S. DOE formula to go to states - Requires 15% match. Opportunity to work with utilities, etc.
- Program Upgrading Our Electric Grid and Ensuring Reliability and Resiliency - Competitive

Lower Energy Costs, Greater Access to Renewable Energy

Lower energy costs for businesses, homeowners and renters

- Energy Assistance
- Weatherization
- New Revolving Loan Fund Program

Lower energy costs, access to renewables for businesses, schools and government

- Energy Efficiency Community Block Grant - direct to large cities
- Energy Efficiency Community Block Grant - small cities grants
- Energy Efficiency and Renewable Energy for Schools

Training Workers for In-Demand Jobs, Growing Businesses and Technology

Training Workers for In-Demand Jobs

- Energy Auditor Training
- Energy Codes Training

Growing Businesses and Technology

- Hydrogen Hub
- Carbon Capture
- Battery Manufacturing
- Smart Manufacturing

More...

- 16 sections related to energy, including:
- Energy-water nexus
- Transportation



We want Minnesotans to be warm, safe and save money

Energy Assistance – Help Available

- Unprecedented level of one-time federal funding
- More Minnesotans qualify than ever before, almost 600,000 households – or about one of every four households in Minnesota.
- Renters and homeowners can get both energy and weatherization assistance.
- You can be eligible for thousands of dollars of help – for past-due bills, future heating bills, to repair or replace a broken heating system, add insulation, and more.
- Just ONE application to the Energy Assistance Program may also qualify households for help to pay water bills and for free home improvements to permanently reduce energy costs by 30 percent or more.



Weatherization Assistance Program (WAP)



- One-Time Investment
- Includes comprehensive on-site energy audit
- Annual energy bill reduction on average of 20-30%
- 23 local service providers statewide, 200+ contractors
- Single family, multi-family, and manufactured housing
- Nationally, for every \$1 invested =
 - \$1.72 in direct energy benefits
 - \$2.78 in nonenergy benefits

WEATHERIZATION CLIENT



- Average energy burden = 3x or more that of non-eligible Minnesota HHs
- Priority given to: homes with children, elderly, or disabled individuals, those with a high energy burden, and high energy expenses
- 2/3rd of participants live in greater Minnesota

WAP: CURRENT BARRIERS & CHALLENGES

Deferred Services due to:

- Vermiculite Attic Insulation
- Inaccessible Crawlspaces
- Bulk Water (mold/moisture)
- Knob & Tube Wiring
- Major Roofing
- Excessive Clutter
- Major Plumbing/Sewer Issues

Other Challenges:

- Need exceeds funding
- Funding fluctuations
- Supply chain

Other Areas Current DOE WAP \$ Cannot Address

- Trip & Fall Hazards
- Lead
- Radon
- Pests/vermin
- Asthma

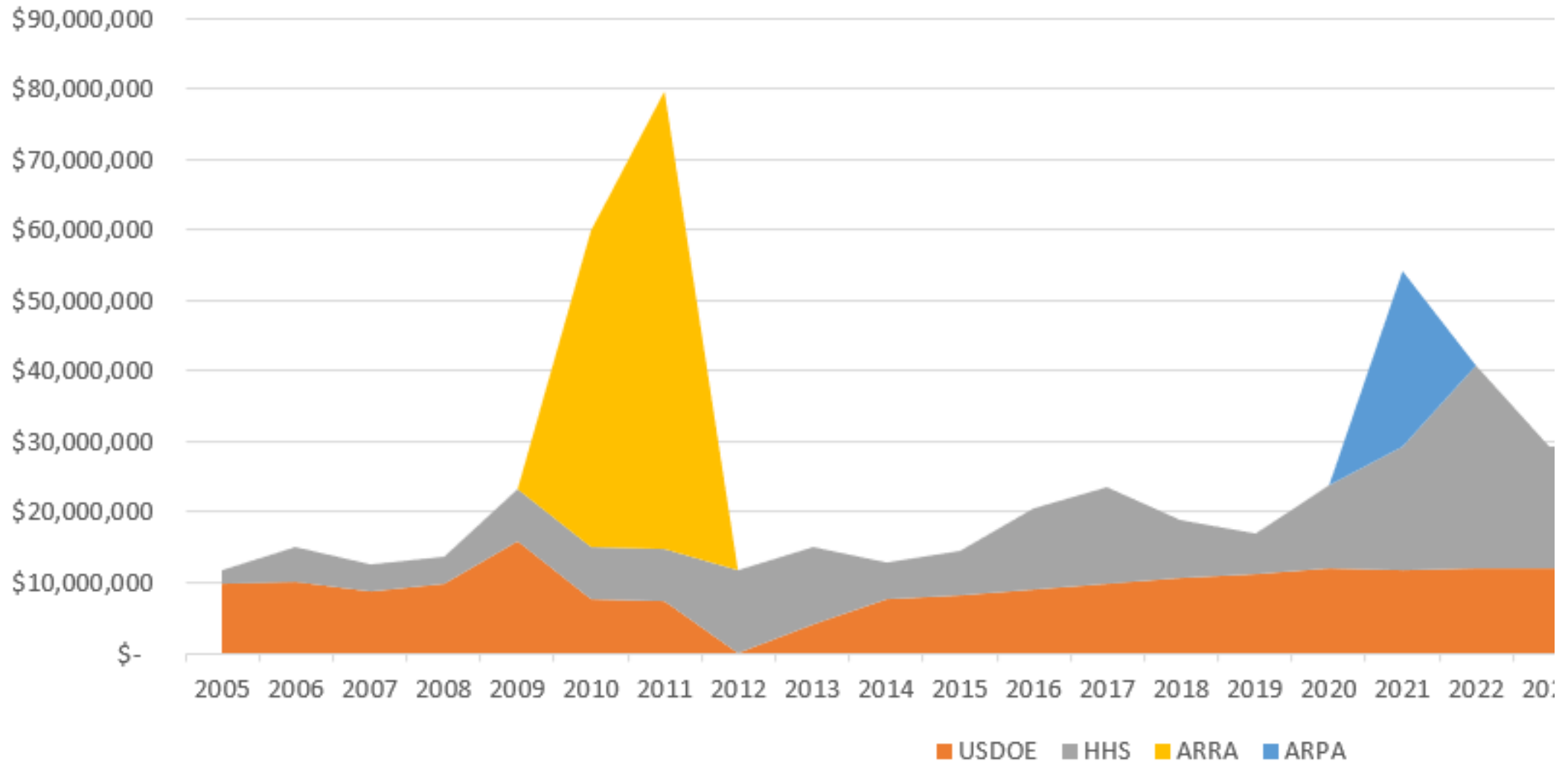
INFORMAL WEATHERIZATION WORKING GROUP

- **GOAL 1: Identify additional funding mechanisms and partnerships to:**
 - Stabilize funding;
 - Reduce the deferral rate;
 - Increase # of households served;
 - Leverage additional non-energy benefits; and
 - Increase competitiveness with funding opportunities.
- **GOAL 2: Improve program equity:**
 - Identify potential program inequities (e.g. renters, manufactured housing dwellers, or other specific demographic groups);
 - Consider causes of inequitable program service; and
 - Identify strategies to increase program equity.
- **GOAL 3: Remove additional barriers to providing WAP services:**
 - Analyze and develop methods to address workforce and supply chain issues; and
 - Assess additional barriers and identify additional strategies.

Initial Objective

Produce recommendations to support an increased rate of equitable service to eligible MN households.

Funding Fluctuations = Contractor/worker shortages



Efforts to address barriers

☐ Expanded Measures:

- ☐ Vermiculite Removal
- ☐ Minor Mold/Moisture Remediation
- ☐ Health & Safety amount
- ☐ Cookstove Replacements
- ☐ Cooling System Repair/Replacements
- ☐ Solar Electric Systems – Statewide
- ☐ CC Air Source Heat Pumps – Pilot
- ☐ Targeting Services
- ☐ Heating Plan/H2O Heater Replacements

☐ Added flexibility:

- ☐ Decreased savings to investment ratio
- ☐ Eliminated Average Cost Per Unit





Infrastructure Investment and Jobs Act

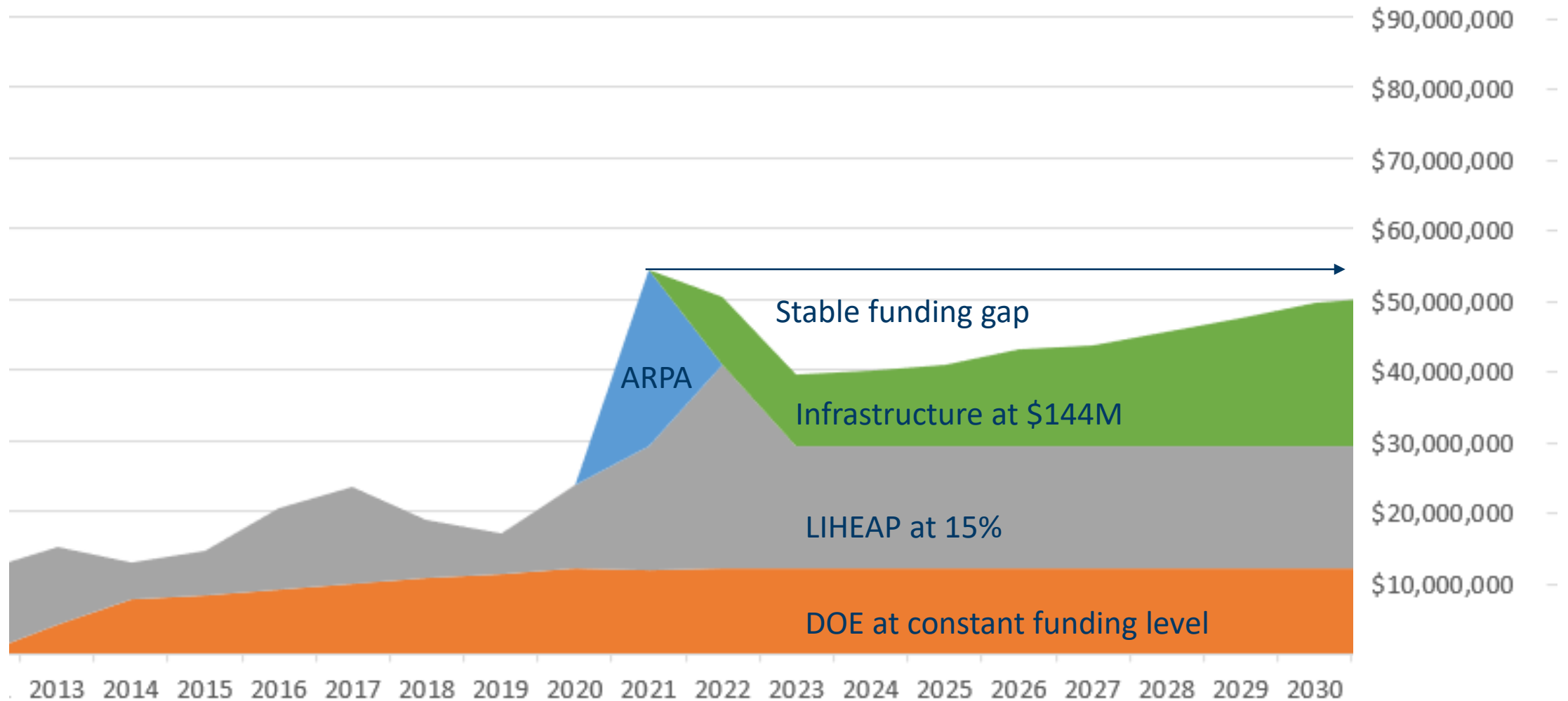
Weatherization Assistance Program (Section 40551)

- Signed into law 11/15/2021
- Funding anticipated starting 7/1/22
- Includes current limitations
- \$3.5B nationwide distributed via formula = Est. \$116-144M for MN over 10 years
- Available until expended (10 years)

[Link to bill: EDW21A09 \(naseo.org\)](https://www.naseo.org/bills/EDW21A09)

- (a) Authorization of appropriations.—
There is authorized to be appropriated to the Secretary for the weatherization assistance program established under part A of title IV of the Energy Conservation and Production Act ([42 U.S.C. 6861 et seq.](#)) \$3,500,000,000 for fiscal year 2022, to remain available until expended.
- (b) Application of wage rate requirements to weatherization assistance program.—With respect to work performed under the weatherization assistance program established under part A of title IV of the Energy Conservation and Production Act ([42 U.S.C. 6861 et seq.](#)) on a project in whole or in part...

FUNDING GAP & FLEXIBILITY



Questions?

