

House Research Act Summary

CHAPTER: 138

SESSION: 2009 Regular Session

TOPIC: Allocation of federal energy stimulus funds

Date: May 27, 2009

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Overview

Chapter 138 allocates spending of federal energy stimulus funds under the American Recovery and Reinvestment Act of 2009.

Section

Article 1: Definitions; Legislative Notice

1 Federal stimulus funding.

Subd. 1. Definitions. (a) “Act” means the American Recovery and Reinvestment Act of 2009.

(b) “Commissioner” means the commissioner of commerce.

Subd. 2. Stimulus funding allocation. Provides that funds be allocated as directed under this act to the extent allowed by federal law.

Subd. 3. Administrative costs. Caps administrative costs for programs using stimulus funds at five percent.

Subd. 4. Contractors; bidding. Provides that, to the extent practicable, bidders for contracts funded with stimulus funds use available apprentice and training programs and abide by the provisions of the state bidding process regarding targeted group businesses.

2 **Legislative notice.** Requires the commissioner to notify legislators when releasing an RFP or awarding a grant exceeding \$25,000.

Article 2: Energy Efficiency

1 **Weatherization.**

Subd. 1. Priority. Requires priority to be given to serving the largest number of new clients.

Subd. 2. Rental units. Directs the commissioner to increase the number of rental units weatherized.

Subd. 3. Shelters. Provides that shelters are eligible to receive weatherization services.

Subd. 4. Income eligibility. Directs that income eligibility limits must be the highest allowed under federal law.

Subd. 5. Solar heat. Provides that recipients of solar heat assistance under the Renewable Energy Equipment Program are eligible to receive weatherization assistance.

Subd. 6. Federal waiver. Directs the commissioner to seek a federal waiver to allow certain foreclosed and abandoned homes to receive weatherization assistance.

Subd. 7. Payments authorized. Authorizes payment for allowable planning, workforce mobilization, and training activities.

2 **Residential energy efficiency programs.** Directs the commissioner to coordinate the use of stimulus funds with financing programs offered by the Minnesota Housing Finance Agency or other entities, including the purchase and installation of energy-efficient windows.

3 **Innovative energy residential efficiency program.** Requires the commissioner to make a grant to the city of Duluth for a residential energy conservation program, as specified.

4 **Small city energy efficient grant.** Requires the commissioner to make a grant to a small city in Minnesota Power's service area for a residential energy conservation program, as specified.

5 **Outreach activities to increase residential participation in energy efficient activities.** Directs the commissioner to award grants to organizations to conduct outreach activities.

6 **Energy efficiency and conservation block grants to local governments.** Directs the commissioner to use block grant funds to award energy-efficiency grants to local units of government that do not receive federal stimulus or block grant funds directly.

7 **Local government and school district renovations.** Requires the commissioner to coordinate the use of stimulus funds with an existing state program that provides for

lease-purchase funding arrangements for energy efficiency projects in public buildings. The commissioner must coordinate with the Department of Education to prioritize school district projects.

- 8 **State government building renovations.** Requires the commissioner and the Department of Administration to develop a plan to fund and implement projects using stimulus funds for energy efficiency projects in state buildings, including lighting upgrades and energy recommissioning. Funds may be used to advance an existing state program that provides for lease-purchase funding arrangements for energy efficiency projects in public buildings.
- 9 to 11 Provisions regarding state use of master-lease purchase agreements for energy-efficiency renovations.
- 12 **Energy technology transfer center.** Directs the commissioner to award a grant to develop an energy technology transfer center.
- 13 **National energy efficiency center.** Directs the commissioner to develop a plan for a national energy efficiency center to test and certify energy efficiency equipment.

Article 3: Renewable Energy

- 1 **Definitions.**
- 2 **Renewable electric generation and geothermal facility rebates.** Directs the commissioner to award rebates of the lesser of \$10,000 for homeowners/\$25,000 for businesses or 35 percent of the cost of purchasing and installing a renewable electric or geothermal system.
- 3 **Solar rebate program.** Directs the commissioner to award rebates to homeowners or businesses that install solar energy projects.
- 4 **Solar cities program.** Directs the commissioner to award grants to local units of government to install small-scale solar thermal and electric projects in a concentrated area.
- 5 **School district and local government renewable energy grant program.** Directs the commissioner to award grants to local governments and school districts to purchase and install renewable energy and geothermal energy systems. Establishes grant criteria and maximum grant amounts.
- 6 **Emerging renewable energy industries grant program.** Directs the commissioner to award grants to eligible businesses that manufacture renewable energy systems, energy storage devices, geothermal systems or components thereof. Establishes grant criteria.
- 7 **Conversion of former school to renewable energy business center.** Directs the commissioner to award a grant to the city of Kennedy to convert a former school building to use renewable energy to power a renewable energy business center.
- 8 **Solar electric installations.** Establishes requirements for contracts, loans, grants or other financial assistance for solar electric installation regarding bidding, licenses, vendor experience, etc.

Article 4: Commercial and Industrial Sector Energy Projects

- 1 **Grants to commercial and industrial facilities.** Directs the commissioner to award a grant to the St. Paul Port Authority to design, finance and install energy efficiency improvements and renewable energy systems in commercial, industrial and nonprofit facilities.
- 2 **Energy programs in commercial and industrial facilities.** Directs the commissioner to award grants to economic development authorities or commercial, industrial and nonprofit facilities to purchase and install renewable energy and geothermal energy systems. Establishes grant criteria and a maximum grant amount of \$500,000.

Article 5: Miscellaneous

- 1 **Training and workforce development.**
- Subd. 1. Training plan and procedures.** Requires the commissioner, in conjunction with the Department of Employment and Economic Development, the Office of Higher Education, and Minnesota State Colleges and Universities to develop a plan and procedures to allocate stimulus funds to programs to train energy professionals, such as auditors, energy managers and building operators, to implement the energy-efficiency programs in articles 2 to 4. Specifies that recruitment is to target the unemployed, low-income, rural and other distressed communities.
- Subd. 2. Training access and affordability.** Directs the commissioner to ensure that training opportunities for employment funded under the Act are available and affordable to low-income persons. Training funds must be provided to weatherization service providers to partner with apprenticeship or other on-the-job training programs.
- 2 **Accountability and transparency reporting.** Requires the commissioner to submit to the legislature four quarterly reports on the progress of the programs funded, beginning in September 2009. The reports must contain information for each project funded on: the number of projects funded and their location; the number of jobs retained and created; energy savings; training courses provided and the number of trainees; and compliance with prevailing wage and disadvantages enterprise requirements.
- 3 **Competitive energy activities.** Directs the commissioner to coordinate Minnesota's efforts to obtain funding under the federal Act.

Article 6: Appropriations

- 1 to 3 Appropriates funds for programs in articles 2 to 4 and provides for a process to reallocate funds if the federal Department of Energy disapproves a program, demand for a program is insufficient to expend all funds allocated to it, or program goals are unlikely to be achieved.

Article 7: Effective Date

Provides that articles 1 to 6 are effective the day following final enactment.