

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 680 **DATE:** April 24, 2009
Version: As amended by author's H0680A18
Authors: Kalin
Subject: Allocation of federal stimulation funds to energy projects
Analyst: Bob Eleff

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: www.house.mn/hrd.

Overview

House File 680 allocates \$196.8 million received by the State of Minnesota from the American Recovery and Reinvestment Act of 2009.

Section

Article 1: Definitions; Goals; Legislative Review

1 Federal stimulus funding; goal of energy programs.

Subd. 1. Definitions.

(a) "Act" means the American Recovery and Reinvestment Act of 2009.

Subd. 2. Stimulus funding allocation and goals. Requires that stimulus funding be allocated to activities that best achieve job creation and retention; improved energy efficiency and increased renewable energy production; coordinate and leverage other funding sources; and distribute funds geographically across the state.

2 Legislative review. Requires the Office of Energy Security (OES) to submit to the legislature for its review the criteria OES will use to prioritize energy programs in order to allocate stimulus funding, and to consider the legislature's comments before setting final criteria. OES is also required to report to the legislature on the actual amounts allocated to each program.

Article 2: Energy Efficiency

- 1 **Weatherization.** Requires the director of OES to allocate all stimulus funds for weatherization, and to include rental units, especially low-income units, in the programs.

Requires criminal background checks of employees conducting weatherization activities, and bars individuals convicted of a violent crime or a crime against property from such employment.
- 2 **Local government and school district building renovations.** Requires OES 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, including lighting upgrades and energy recommissioning. OES is to coordinate with the Department of Education to prioritize school district projects.
- 3 **State government buildings.** Requires 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.
- 4 **Residential energy efficiency programs.** Directs OES to coordinate with existing state financing programs to improve energy efficiency in the residential sector.
- 5 **Training and workforce development.** Requires the Department of Employment and Economic Development, in coordination with OES and the Office of Higher Education, 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 specified in this article. Specifies that recruitment is to target the unemployed low-income, rural and other distressed communities.
- 6 **Accountability and transparency reporting.** Requires the director of OES 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.

Article 3: Renewable Energy

- 1 **Renewable energy grant program.** Directs the commissioner of commerce to establish a grant program to award grants to projects that qualify as community-based energy development (C-BED) projects, do not receive state renewable incentive payments, and meet other conditions. Maximum grant awards are \$500,000, and no more than two projects in a single county may receive grants.
- 2 **Renewable electric generation facilities.** Directs the commissioner of commerce to establish a program to award rebates to projects that generate electricity from a renewable source for a residence or a small business (Generation capacity must be under 40

kilowatts.) Rebates are the lesser of \$2,500 or 35% of the cost of purchasing and installing the generation facility.

- 3 Solar energy projects in public buildings and schools.** Directs the commissioner of commerce to establish a program to award grants to local units of government and school districts to install solar thermal or electric projects.

Article 4: Miscellaneous Projects

- 1 Energy programs in commercial and industrial buildings.** Directs the commissioner of commerce to establish a program to award grants to commercial and industrial facilities that install energy-efficiency improvements or devices that use renewable resources to generate electricity or heat or cool a building.

Energy education, training, and data systems. Directs OES to establish programs to include energy issues in K-12 curricula; train technicians to install and maintain wind and solar systems; and upgrade data systems to track energy savings.

- 3 Energy efficiency grants to local governments.** Requires the OES to establish a program to award grants to local units of government to enhance energy efficiency and reduce energy use, including developing energy-efficient building codes, installing efficient street lighting, and deploying renewable energy devices on public buildings.

Article 5: Appropriations

- 1 Weatherization assistance program appropriation.** Appropriates \$131.9 million from federal stimulus funds to the commissioner of commerce for weatherization programs.
- 2 Energy efficiency and conservation block program appropriation.** Appropriates \$10.6 million to the commissioner of commerce: \$6.5 million for efficiency grants to local governments (art. 4, sec. 3), and \$4.1 million for local government and school district buildings (art. 3, sec. 2).
- 3 State energy program appropriation.** Appropriates \$54.1 million from federal stimulus funding for the State Energy Program to the commissioner of commerce: \$10.65 million for local government and school district buildings (art. 3, sec. 2); \$8 million for state government buildings (art. 3, sec. 3); \$12 million for residential energy financing (art. 3, sec. 4); \$12 million for renewable energy programs (art. 4); \$5 million for grants to commercial and industrial buildings (art. 4, sec. 1); \$5 million for energy education, training, and data systems (art. 4, sec. 2); and \$1.5 million for a grant to locate the International Renewable Energy Technology Institute at Minnesota State University at Mankato.