

Subject Assisting Minnesota Applicants for Federal Energy Grants

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## Overview

House File 1656, the first engrossment, appropriates \$156 million to assist Minnesota entities seeking federal grant awards for energy projects under the federal Inflation Reduction Act and the Infrastructure Investment and Jobs Act. The state grants are to be used to fund a portion of any nonfederal match required as a condition for receiving a federal grant, and for entities assisting Minnesota applicants to develop their federal grant applications. The program is to be operated by the Department of Commerce.

## Summary

| Section | Description |
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| 1 | <b>[216C.391] Minnesota state competitiveness fund.</b> |
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**Subd. 1. Definitions.** Defines terms.

**Subd. 2. Establishment of account; eligible expenditures.** Establishes the state competitiveness fund account in the special revenue fund. Appropriates money to the commissioner of commerce to pay all or part of the nonfederal match required to obtain federal funds, to award grants to entities assisting Minnesota applicants for federal energy funds, and to reimburse the department's costs to administer this section.

**Subd. 3. Grant awards; eligible entities; priorities.** Establishes priorities for grant awards based on the type of applicant. Requires the commissioner of commerce to post, by November 15, 2023, a list of federal energy funds available for state matching grants made under this section.

**Subd. 4. Grant awards; grant development assistance.** Specifies that grants may be awarded to entities, including regional development commissions, consumer-owned utilities, and Tribal governments, to assist Minnesota applicants to prepare applications for federal energy funds.

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**Subd. 5. Grant amounts.** Sets the maximum proportion of federally required matching funds that may be awarded under this section for different types of applicants. Specifies that no single entity may receive grant awards totaling more than \$15 million.

**Subd. 6. Grant awards; administration.** Requires the commissioner of commerce to develop procedures governing the grant application and award process. Requires the department to provide technical assistance to applicants. Describes how grant funds are reserved and released. Requires the commissioner to notify the legislative energy committees when the unreserved balance in the account reaches 50, 25, 15, and five percent of its original amount.

**Subd. 7. Report; audit.** Requires the commissioner to report annually to the legislature on specific activities and expenditures under the program.

2 **Appropriation.**

Appropriates \$156 million from the general fund for the program, of which:

- \$140 million is for matching federal funds;
- \$13.75 million is for grant development assistance;
- \$750,000 is for required reports and audits through 2035; and
- \$1.5 million is for information system development to support the program.



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