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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. **2094**

March 14, 2007

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The bill was read for the first time and referred to the Committee on Finance

1.1 A bill for an act
1.2 relating to energy; providing for grants to schools and public buildings installing
1.3 heating units that use biomass; appropriating money; proposing coding for new
1.4 law in Minnesota Statutes, chapter 216C.

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

1.6 Section 1. [216C.355] RENEWABLE ENERGY GRANTS FOR SCHOOLS AND
1.7 PUBLIC BUILDINGS.

1.8 Subdivision 1. **Definitions.** (a) "Biomass" means a heating fuel processed into
1.9 a solid form from the following sources:

- 1.10 (1) herbaceous crops;
- 1.11 (2) agricultural waste; or
- 1.12 (3) trees and other woody crops grown specifically for utilization as a biomass
1.13 heating source.

1.14 (b) "Energy project study" means a study of a biomass energy-related capital
1.15 improvement project analyzed in sufficient detail to support a grant application. At a
1.16 minimum, it must include one year of energy consumption and cost data, a description of
1.17 existing and proposed energy facilities and conditions, a detailed description of the costs of
1.18 the project, and calculations sufficient to document the proposed energy and cost savings.

1.19 Subd. 2. **Eligibility.** Subject to the availability of funds, the commissioner shall
1.20 approve grants to a K-12 public school or a county, city, town, or any other political
1.21 subdivision for the costs of purchasing and installing a heating unit designed to burn
1.22 biomass in a building owned by the grant recipient. A grant may be provided under this
1.23 section only for a heating unit purchased after July 1, 2007, that is listed by Underwriters
1.24 Laboratories. A grant may not exceed the lesser of 25 percent of the total costs of

2.1 purchasing and installing an eligible heating unit or \$50,000. The commissioner shall
 2.2 endeavor to award grants throughout the regions of the state. No more than one grant may
 2.3 be awarded in a county, unless an insufficient number of applications is received from
 2.4 applicants located in other counties to exhaust available funds.

2.5 Subd. 3. **Application.** Application for a grant under this section must be made by an
 2.6 eligible applicant to the commissioner on a form the commissioner prescribes by rule. The
 2.7 commissioner shall review each application to determine:

2.8 (1) whether the application is complete;

2.9 (2) whether the information, calculations, and estimates contained in the energy
 2.10 project study are appropriate, accurate, and reasonable;

2.11 (3) whether the project is eligible for a grant;

2.12 (4) the amount of the grant for which the project is eligible; and

2.13 (5) other funding sources the applicant proposes to use to finance the project in
 2.14 addition to a grant authorized by this section.

2.15 Subd. 4. **Additional information.** During application review, the commissioner
 2.16 may request additional information about a proposed project, including information on
 2.17 project cost. Failure to provide information requested disqualifies a grant application.

2.18 Subd. 5. **Public accessibility of grant application data.** Data contained in an
 2.19 application submitted to the commissioner for a grant under this section, including
 2.20 supporting technical documentation, is classified as "public data not on individuals" under
 2.21 section 13.02, subdivision 14.

2.22 Subd. 6. **Conditions for grant approval.** The commissioner may approve a grant
 2.23 to an applicant only if the applicant demonstrates that the renewable energy project has a
 2.24 payback period of ten years or less, and that it has made adequate provisions to assure
 2.25 proper and efficient operation of the facility once the project is completed.

2.26 Subd. 7. **Rules.** The commissioner shall adopt rules necessary to implement this
 2.27 section. The rules must contain at a minimum:

2.28 (1) standards for project eligibility;

2.29 (2) criteria for reviewing grant applications; and

2.30 (3) procedures and guidelines for program monitoring and evaluation.

2.31 **Sec. 2. APPROPRIATION.**

2.32 \$500,000 is appropriated from the general fund to the commissioner of commerce
 2.33 for the grants described in section 1.

2.34 **Sec. 3. EFFECTIVE DATE.**

3.1 Sections 1 and 2 are effective the day following final enactment.