

This Document can be made available  
in alternative formats upon request

# HOUSE FILE No. 680

## *FIRST COMMITTEE ENGROSSMENT*

February 9, 2009

Authored by Kalin

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

---

*Referred by Chair to Housing Finance and Policy and Public Health Finance Division.*

February 12, 2009

*Returned to the Committee on Finance as Amended.*

1.1 A bill for an act  
1.2 relating to energy; providing direction for the use of federal stimulus funding  
1.3 for energy programs.

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

1.5 Section 1. **FEDERAL STIMULUS FUNDING; GENERAL PRINCIPLES FOR**  
1.6 **ENERGY PROGRAMS.**

1.7 Subdivision 1. **Definition.** For the purpose of sections 1 to 7, "stimulus funding" or  
1.8 "funding" means federal stimulus funding provided to the state by the federal stimulus  
1.9 funding legislation for energy programs, including, without limitation, energy programs  
1.10 described in sections 2 to 7.

1.11 Subd. 2. **Stimulus fund allocation and use principles.** To the extent allowed  
1.12 by federal law and rule, stimulus funding shall be allocated and expended according to  
1.13 the following principles:

1.14 (1) project administrators, including the Office of Energy Security, shall attempt to  
1.15 maximize job creation and energy conservation and energy demand reduction that can  
1.16 be achieved by stimulus funding;

1.17 (2) consistent with the job creation and energy conservation goals program, projects  
1.18 shall be selected based on relative cost-effectiveness and achieving the maximum ongoing  
1.19 energy savings per stimulus dollar spent and the ability to meet federal deadlines for the  
1.20 obligation and expenditure of federal stimulus funds so that no federal funding is lost  
1.21 due to failure to meet deadlines;

1.22 (3) stimulus funding must be used for projects geographically distributed across  
1.23 the state;

2.1 (4) whenever practical, stimulus funds should be coordinated with existing utility  
2.2 conservation programs and other leveraged funds. Preference should be given to loan  
2.3 programs and other programs that recycle funding and effectively coordinate with and  
2.4 leverage existing utility programs and private dollars;

2.5 (5) preference should be given to projects with jobs that pay a living wage and  
2.6 protect the occupational health and safety of the workers; and

2.7 (6) consideration in all projects should be given to achieving high indoor air quality.

2.8 The Office of Economic Security, in coordination with the Departments of Education  
2.9 and Administration, shall develop an action plan to spend stimulus funds consistent  
2.10 with this section. This plan must include application procedures for funding and the  
2.11 development of a system to track all funds expended, energy savings caused, the number  
2.12 of jobs, and the wage level of jobs created by the investment of stimulus funding. The  
2.13 commissioner of commerce may select and hire contractors to assist in the development of  
2.14 the plan and tracking system using expedited procurement procedures. The procedures  
2.15 must include efforts to hire disadvantaged business enterprises.

2.16 **Sec. 2. WEATHERIZATION.**

2.17 All stimulus funds for weatherization must be allocated by the director of the Office  
2.18 of Energy Security, consistent with federal allocation requirements and state allocation  
2.19 formulas in the state weatherization plan. Existing providers of weatherization services  
2.20 must be fully utilized, consistent with effective program delivery, before additional  
2.21 providers of weatherization services are added. Programs that include rental units shall  
2.22 be developed, including developing procedures to streamline low-income rental unit  
2.23 participation in programs. Priority shall be given to serving the largest number of new  
2.24 weatherization clients consistent with federal eligibility requirements.

2.25 **Sec. 3. LOCAL GOVERNMENT BUILDING RENOVATIONS.**

2.26 The Office of Energy Security must coordinate the use of stimulus funds with the  
2.27 public building enhanced energy-efficiency program. The improvements funded by this  
2.28 project should have a priority for lighting upgrades, energy recommissioning, and other  
2.29 cost-effective energy projects that have already been designed and are ready for immediate  
2.30 implementation. Energy-efficiency conservation block grants may be used to advance  
2.31 public building enhanced energy-efficiency program projects by either reducing energy  
2.32 bills during a savings repayment period or decreasing the number of years for payback of  
2.33 energy improvement investments.

3.1       Sec. 4. **SCHOOL DISTRICT BUILDINGS.**

3.2             The Department of Education with the assistance of the Office of Energy Security  
3.3 shall develop a plan and procedures to select, fund, and implement projects for the use of  
3.4 stimulus funds. The improvements should have a priority for lighting upgrades, energy  
3.5 recommissioning, and other cost-effective energy projects that have already been designed  
3.6 and are ready for immediate implementation. Energy-efficiency conservation block grants  
3.7 may be used to advance public building enhanced energy-efficiency program projects by  
3.8 either reducing energy bills during a savings repayment period or decreasing the number  
3.9 of years for payback of energy improvement investments.

3.10       Sec. 5. **STATE GOVERNMENT BUILDINGS.**

3.11             The Department of Administration, with the assistance of the Office of Energy  
3.12 Security, shall develop a plan and procedures to select, fund, and implement projects using  
3.13 stimulus funds. The improvements shall have a priority for lighting upgrades, energy  
3.14 recommissioning, and other cost-effective energy projects that have already been designed  
3.15 and are ready for immediate implementation. Energy-efficiency conservation block grants  
3.16 may be used to advance public building enhanced energy-efficiency program projects by  
3.17 either reducing energy bills during a savings repayment period or decreasing the number  
3.18 of years for payback of energy improvement investments.

3.19       Sec. 6. **RESIDENTIAL AND COMMERCIAL INDUSTRIAL PROGRAMS.**

3.20             A portion of the stimulus funds received by the Office of Energy Security must be  
3.21 used to fund a window replacement and insulation program for existing housing occupied  
3.22 by low or moderate-income households. The development and implementation of this  
3.23 financing program must be coordinated with the Minnesota Housing Finance Agency and  
3.24 lead abatement activities.

3.25             To the extent that funds are available, the Office of Energy Security may also provide  
3.26 some funding to projects that serve commercial and industrial facilities.

3.27       Sec. 7. **TRAINING AND WORKFORCE DEVELOPMENT.**

3.28             Subdivision 1. **Home energy auditors and technicians.** The director of the Office  
3.29 of Energy Security shall oversee training of energy auditors necessary for energy projects  
3.30 using stimulus funding and may allocate funding for that purpose. Technical skills training  
3.31 must include insulation, air sealing, and mechanical work.

3.32             Subd. 2. **Energy manager and building operator training.** The director of the  
3.33 Office of Energy Security shall coordinate and monitor training and certification of energy

4.1 managers, building operators, and other energy professionals necessary for energy projects  
4.2 using stimulus funding and may allocate funding for that purpose. Training strategies must  
4.3 be designed to meet the wide range of facilities managers and the wide range of building  
4.4 sizes and types and the occupational health and safety of workers on these energy projects.

4.5 Subd. 3. **Training activity guidelines.** In addition to training individuals already  
4.6 employed in implementing energy programs, the director shall attempt to recruit  
4.7 individuals for training to perform work in energy projects using stimulus funding who  
4.8 are unemployed, especially targeting communities experiencing disproportionately  
4.9 high rates of unemployment, including but not limited to low-income, rural, or tribal  
4.10 communities and individuals in construction trades and crafts. The director shall utilize  
4.11 the full capacity of current training providers, including, but not limited to, opportunities  
4.12 industrialization centers, skilled trades labor unions, tribal colleges or nonprofits working  
4.13 in tribal communities, community action partnerships, and nonprofit organizations with  
4.14 historic expertise in energy efficiency.

4.15 **Sec. 8. EFFECTIVE DATE.**

4.16 Sections 1 to 7 are effective the day following final enactment.