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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 2566

03/18/2019 Authored by Lippert, Wagenius, Long, Acomb and Bierman The bill was read for the first time and referred to the Committee on Ways and Means

1.1 A bill for an act
1.2 relating to energy; requiring a study; appropriating money.

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

1.4 Section 1. MINNESOTA GREEN BANK STUDY.

1.5 (a) The commissioner of commerce shall contract with an independent consultant with
1.6 experience in financing energy conservation and renewable energy projects for a study of
1.7 the prospects, options, benefits, and costs of developing a green bank in Minnesota.

1.8 (b) The study shall analyze, at a minimum:

1.9 (1) the structure, authorities and duties, and operations of green banks operating in other
1.10 states, including:

1.11 (i) the types of projects green banks finance;

1.12 (ii) the process of aggregating multiple small projects into financial instruments that are
1.13 attractive to private lenders and securitizing and marketing those instruments;

1.14 (iii) how green banks can stimulate demand for capital for projects as well as supply the
1.15 capital;

1.16 (iv) the levels of the initial capital provided to green banks from public funds, and the
1.17 length of time before which the banks generated sufficient funds to fully pay their operating
1.18 expenses; and

1.19 (v) how green banks can utilize existing bonding tools;

2.1 (2) the implications of developing a green bank as a public, quasi-public, or nonprofit
2.2 entity;

2.3 (3) existing energy efficiency and financing programs in Minnesota and the gaps that a
2.4 Minnesota green bank could most effectively fill; and

2.5 (4) a business plan and timeline outlining start-up operations and milestones of a
2.6 Minnesota green bank.

2.7 (c) By January 1, 2020, the commissioner of commerce must submit the report required
2.8 under this section to the chairs and ranking minority members of the senate and house of
2.9 representatives committees with primary jurisdiction over energy policy.

2.10 (d) For the purposes of this section, "green bank" means an institution that finances the
2.11 deployment of renewable energy and energy efficiency projects by aggregating individual
2.12 projects to develop turn-key financial products that leverage capital from private lenders,
2.13 enabling broader implementation of those projects while preserving public funds through
2.14 loan repayment.

2.15 (e) By January 1, 2020, the commissioner of commerce must submit the report required
2.16 under this section to the chairs and ranking minority members of the senate and house of
2.17 representatives committees with primary jurisdiction over energy policy.

2.18 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.19 Sec. 2. **APPROPRIATION.**

2.20 Notwithstanding section 116C.779, subdivision 1, paragraph (j), \$..... in fiscal year
2.21 2020 is appropriated from the renewable development account established in Minnesota
2.22 Statutes, section 116C.779, subdivision 1, to the commissioner of commerce for a grant to
2.23 conduct the green bank study described in subdivision 1.