

July 1, 2024

Senator Nick A. Frentz, Chair  
Energy and Utilities Finance and Policy  
Committee  
95 University Avenue W.  
Minnesota Senate Bldg., Room 3109  
St. Paul, MN 55155

Representative Patty Acomb, Chair  
Climate and Energy Finance and  
Policy Committee  
593 State Office Building  
100 Rev. Dr. Martin Luther King Jr.  
Blvd. St. Paul, MN 55155

Senator Andrew Mathews,  
Ranking Minority Member  
Energy and Utilities Finance and Policy  
Committee  
95 University Avenue W.  
Minnesota Senate Bldg., Room 2233  
St. Paul, MN 55155

Representative Chris Swedzinski,  
Ranking Minority Member  
Climate and Energy Finance and  
Policy Committee  
245 State Office Building  
100 Rev. Dr. Martin Luther King Jr. Blvd.  
St. Paul, MN 55155

RE: Grant Administration Reporting

Dear Chairs and Ranking Members:

This letter addresses the notification requirement set forth by the Legislature in the Laws of 2024, Chapter 126, Article 4 Section 4 (a) as outlined in the language below:

*Sec. 4. GRANT ADMINISTRATION REPORTING.*

*(a) By July 1, 2024, the commissioner of commerce must report to the chairs and ranking minority members of the legislative committees having jurisdiction over energy finance and policy regarding the anticipated costs to administer each named grant and competitive grant program in Laws 2023, chapter 60, article 10, section 2, and Laws 2023, chapter 60, article 11, section 2.*

Table 1 below provides current anticipated administrative costs for this biennium for Pass Through Grants which are capped at 5%. Estimated administrative costs are actually less than 1%. Table 2 provides current anticipated administrative costs for this biennium for RFP/Competitive Solicitations which are capped at 10%. First year expenses are anticipated to be lower than second year expenses as the majority of staff to implement these grants and programs were not hired until midyear.

As stated by Minnesota Statute 3.197: This report cost approximately \$900 to prepare, including staff time.

If you have any questions, please do not hesitate to contact me or my team.

Sincerely,



Grace Arnold  
Commissioner

Table 1. Pass Through Grants

| Grant Programs   | Total Appropriation | FY24-25 Total Anticipated Administrative Cost |
|--|---------------------|---|
| Clean Energy Economy MN: MN Energy Alley Initiative          | \$ 3,000,000        | \$ 15,370                                     |
| University of MN: Clean Energy Resource Teams (CERT)s        | \$ 1,000,000        | \$ 6,100                                      |
| Granite Falls: Hydroelectric Facility RDA                    | \$ 2,000,000        | \$ 8,075                                      |
| City of Anoka: Rum River Dam Feasibility Study               | \$ 500,000          | \$ 10,330                                     |
| NRRI: Feasibility Study Battery Storage MN Iron Ore          | \$ 500,000          | \$ 12,220                                     |
| MN Power/Allete: High-voltage transmission line btwn ND & MN | \$ 15,000,000       | \$ 40,000                                     |
| University of St. Thomas (UST): Microgrid Research           | \$ 3,400,000        | \$ 18,087                                     |
| UST: Research Capacity Building                              | \$ 4,100,000        | \$ 24,222                                     |
| National Sports Center: Solar Array & Roof (FY25)            | \$ 4,200,000        | \$ 40,000                                     |
| <b>TOTAL</b>   | \$ 33,700,000       | \$ 174,404                                    |

**Table 2. RFP/Competitive Solicitations**

| <b>Grant Programs</b>            | <b>Total<br/>Appropriation</b> | <b>FY24-25 Total<br/>Anticipated<br/>Administrative Cost</b> |
|----------------------------------|--------------------------------|--|
| Solar for Schools (K-12, GF)     | \$ 15,000,000                  | \$ 501,610   |
| Solar for Schools (K-12, RDA)    | \$ 14,310,000                  | \$ 482,920   |
| Solar for Schools (MNSCU GF)     | \$ 1,138,000                   | \$ 80,020  |
| Electric Panel Grants (GF)       | \$ 3,500,000                   | \$ 260,000   |
| Electric Panel Grants (RDA)      | \$ 3,000,000                   | \$ 200,000   |
| Benchmarking                     | \$ 2,108,000                   | \$ 434,815   |
| Electric School Bus Grants (GF)  | \$ 6,000,000                   | \$ 253,185   |
| Electric School Bus Grants (RDA) | \$ 7,000,000                   | \$ 273,500   |
| Grid Resilience Grants           | \$ 5,300,000                   | \$ 264,525   |
| HVAC for Schools                 | \$ 1,000,000                   | \$ 79,050  |
| On-site Energy Storage (RDA)     | \$ 4,000,000                   | \$ 76,500  |
| On-site Energy Storage (GF)      | \$ 3,000,000                   | \$ 224,220   |
| Solar on Public Buildings        | \$ 5,000,000                   | \$ 363,000   |

|   |                       |                     |
|---|-----------------------|---------------------|
| Auto Dealer EV Certification Rebate (GF)        | \$ 1,000,000          | \$ 23,500           |
| Auto Dealer EV Certification Rebate (RDA)       | \$ 1,000,000          | \$ 23,500           |
| Weatherization/Pre-Weatherization and Workforce | \$ 45,135,000         | \$ 960,000          |
| <b>TOTAL</b>                                    | <b>\$ 117,491,000</b> | <b>\$ 4,500,345</b> |