

LEVERAGING FEDERAL DOLLARS

This proposal supplies \$20 million toward state matching funds and short-term capacity needs to help businesses, the state and communities across Minnesota compete for billions in competitive federal funding opportunities created by President Biden's historic infrastructure bill. By winning federal grants, communities can take needed steps to make the state's energy system stronger, to be more resilient to the changing climate, train workers, grow businesses and technology, and reduce energy costs for all Minnesotans.

WHAT DOES THIS BILL DO?

This bill provides required state matching funds for eligible entities including the state, businesses and communities for multiple energy-related competitive and formula federal grant opportunities and provides the minimum staffing capacity to apply for and implement the programs resulting from new federal funding.

WHY IS THIS BILL IMPORTANT?

In just the Infrastructure Investment and Jobs Act (IIJA) alone, there are over 60 new programs within the US Department of Energy, most of which will provide competitive opportunities resulting in billions of dollars for which Commerce is positioned to compete. To successfully access these funds, many funds require a state match; all require resources to collaborate, apply, and negotiate awards.

For example, within the grid infrastructure programs alone, there is:

- A \$5 billion grant program, run by the US Department of Energy (DOE), to support activities aimed at reducing adverse impacts on the grid from extreme weather, wildfire, and other natural disasters. Large utilities must match the grants dollar for dollar, smaller ones have a 33% match;
- A \$5 billion DOE fund to upgrade the grid and ensure reliability and resiliency;
- A \$1 billion DOE fund to aid rural and remote areas with reliability and resiliency issues;
- A \$2.5 billion revolving loan fund in which the DOE will serve as an "anchor tenant," entering capacity contracts for new or upgraded transmission lines;
- A \$3.5 billion smart-grid investment matching program for the deployment of technologies that provide flexibility in responding to natural disasters, rebalance the electrical system, facilitate the aggregation or integration of distributed generation, and support renewable generation; and
- A \$500 million program to provide technical assistance to state energy programs focusing on energy security, energy efficiency, and state-led energy initiatives.

HOW WILL MINNESOTANS BE BETTER OFF IF WE PASS THIS BILL?

This bill will support Minnesotans by providing match support and technical assistance to communities, utilities, schools, and businesses interested in acquiring federal competitive funding opportunities in both the metro and greater Minnesota.