

**SENATE
STATE OF MINNESOTA
NINETY-SECOND SESSION**

S.F. No. 1566

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| DATE | D-PG | OFFICIAL STATUS |
| 03/01/2021 | | Introduction and first reading Referred to Jobs and Economic Growth Finance and Policy |

1.1 A bill for an act

1.2 relating to economic development; establishing the Energy Transition Legacy

1.3 Office; creating an advisory committee for transition communities and workers;

1.4 requiring the development of a state transition plan for communities and workers

1.5 impacted by the retirement of power plants; appropriating money; proposing coding

1.6 for new law in Minnesota Statutes, chapter 116J.

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

1.8 Section 1. **[116J.5491] ENERGY TRANSITION LEGACY OFFICE.**

1.9 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have

1.10 the meanings given.

1.11 (b) "Electric generating unit" or "EGU" means a solid fuel-fired steam generating unit

1.12 that serves a generator that produces electricity for sale to the electric grid.

1.13 (c) "Impacted community" means a municipality, tribal government, or county that is

1.14 the host of an energy power plant that has one or more electric generating units with a

1.15 projected or estimated retirement date.

1.16 (d) "Impacted worker" means a Minnesota worker laid off from employment on or after

1.17 the effective date of a power plant retirement.

1.18 Subd. 2. **Office established; director.** (a) The Energy Transition Legacy Office is

1.19 established within the Department of Employment and Economic Development. The office

1.20 must remain in existence until all impacted communities are supported through energy

1.21 power plant retirements.

2.1 (b) The director of the Energy Transition Legacy Office must be appointed by the
2.2 governor. The director must be qualified by experience in issues related to energy, economic
2.3 development, and the environment.

2.4 (c) The office may employ staff necessary to carry out the duties of the office as provided
2.5 in this section.

2.6 Subd. 3. Purpose. The purpose of the office is to:

2.7 (1) serve impacted communities and transition workers through the retirement of power
2.8 plant units;

2.9 (2) implement the recommendations in the final Minnesota energy transition legacy
2.10 plan;

2.11 (3) improve communication among local, state, federal, and private entities regarding
2.12 the power plant retirement planning and process;

2.13 (4) address local tax and fiscal issues related to the power plant retirement and develop
2.14 solutions to support communities and workers; and

2.15 (5) drive the creation and implementation of economic support programs, including but
2.16 not limited to property tax revenue replacement, community energy transition programs,
2.17 and economic development tools for impacted communities and impacted workers.

2.18 Subd. 4. Duties. The office has the power and duty to:

2.19 (1) administer legislatively created programs to support impacted communities, including
2.20 the community energy transition grant program under section 116J.55;

2.21 (2) align and coordinate resources at local, state, and federal levels to support communities
2.22 that are subject to significant economic transition;

2.23 (3) coordinate the development of statewide policy on impacted communities;

2.24 (4) provide programming and resources to impacted communities;

2.25 (5) support impacted workers through establishing benefits and educating workers on
2.26 applying for benefits;

2.27 (6) act as a liaison between impacted communities, impacted workers, and relevant state
2.28 agencies;

2.29 (7) assist relevant state agencies to address local tax, land use, economic development,
2.30 and fiscal issues related to the power plant retirement and develop solutions to support
2.31 communities and workers;

3.1 (8) conduct a review of existing worker programs in impacted communities and identify
3.2 whether the programs adequately address the needs of workers;

3.3 (9) support the work of advisory committee members;

3.4 (10) monitor the utility transition efforts in other states and localities;

3.5 (11) identify or estimate (i) the timing and location of facility closures and job layoffs,
3.6 and (ii) the impact on workers, businesses, and impacted communities;

3.7 (12) maintain communication regarding closure dates with all relevant parties;

3.8 (13) provide an annual report of the office's activities, in consultation with the advisory
3.9 committee; and

3.10 (14) monitor and participate, as needed, in administrative proceedings that are relevant
3.11 to the purposes of the office, including matters before entities that include but are not limited
3.12 to the Public Utilities Commission, the Department of Commerce, and the Department of
3.13 Revenue.

3.14 Subd. 5. **Reporting.** (a) Beginning January 15, 2023, and each year thereafter, the Energy
3.15 Transition Legacy Office must report to the chairs and ranking minority members of the
3.16 legislative committees with jurisdiction over energy, economic development, and tax policy
3.17 and finance on the office's activities during the previous year.

3.18 (b) The report must contain:

3.19 (1) an analysis on (i) the timing and location of facility closures and job layoffs, and (ii)
3.20 data on the individual impacts on workers, businesses, and impacted communities;

3.21 (2) suggested policy and programming to support impacted communities and impacted
3.22 workers;

3.23 (3) information on the administration of the utility transition aid program and any other
3.24 grant programs administered by the office; and

3.25 (4) any update on the implementation of the Minnesota energy transition legacy plan.

3.26 Subd. 6. **Gifts; grants; donations.** The office may accept gifts and grants, which are
3.27 accepted on behalf of the state and constitute donations to the state. Funds received under
3.28 this subdivision are appropriated to the commissioner of employment and economic
3.29 development to support the purposes of the office.

4.1 Sec. 2. ENERGY TRANSITION LEGACY ADVISORY COMMITTEE.

4.2 Subdivision 1. Creation; purpose. The Energy Transition Legacy Advisory Committee
4.3 is established to bring together stakeholders to develop and recommend a statewide energy
4.4 transition legacy plan. The advisory committee must provide a broad perspective to advise
4.5 on transition issues, established transition programs, economic initiatives, and transition
4.6 policy.

4.7 Subd. 2. Membership. (a) The advisory committee consists of 15 voting members and
4.8 six ex officio nonvoting members.

4.9 (b) The voting members of the advisory committee must be appointed by the
4.10 commissioner of employment and economic development or as otherwise specified as
4.11 follows:

4.12 (1) one member of the senate, appointed by the president of the senate;

4.13 (2) one member of the house, appointed by the speaker of the house;

4.14 (3) one representative of the Prairie Island Indian community;

4.15 (4) four representatives of transition communities, of which two must be from counties,
4.16 two must be from municipalities, at least one must host a coal plant, at least one must host
4.17 a nuclear plant, and at least one must host a natural gas plant;

4.18 (5) three representatives of workers at investor-owned electric generating plants powered
4.19 by coal, nuclear energy, or natural gas;

4.20 (6) one representative with professional economic development or workforce retraining
4.21 experience;

4.22 (7) two representatives of utilities that operate an electric generating unit;

4.23 (8) one representative from a nonprofit organization with expertise and experience with
4.24 energy efficiency and conservation programs; and

4.25 (9) one representative from the Coalition of Utility Cities.

4.26 (c) The ex officio nonvoting members of the advisory committee consist of the following:

4.27 (1) the governor or the governor's designee;

4.28 (2) the commissioner of employment and economic development or a designee;

4.29 (3) the commissioner of labor and industry or a designee;

4.30 (4) the commissioner of revenue or a designee;

5.1 (5) the executive secretary of the Public Utilities Commission or a designee; and

5.2 (6) the commissioner of the Pollution Control Agency or a designee.

5.3 Subd. 3. **Initial appointments and first meeting.** The appointing authorities must
5.4 appoint the members of the advisory committee by August 1, 2021. The commissioner of
5.5 employment and economic development must convene the first meeting by September 1,
5.6 2021, and must act as chair until the advisory committee elects a chair at its first meeting.

5.7 Subd. 4. **Chair.** The committee must elect a chair and vice-chair from among its voting
5.8 members for a term of two years.

5.9 Subd. 5. **Open meetings.** Advisory committee meetings are subject to Minnesota Statutes,
5.10 chapter 13D.

5.11 Subd. 6. **Conflict of interest.** A member of the committee is prohibited from participating
5.12 in the discussion of or vote on a decision of the committee relating to an organization in
5.13 which the member has either a direct or indirect financial interest.

5.14 Subd. 7. **Gifts; grants; donations.** The advisory committee may accept gifts and grants,
5.15 which are accepted on behalf of the state and constitute donations to the state. Funds received
5.16 under this subdivision are appropriated to the commissioner of employment and economic
5.17 development to support the purposes of the committee.

5.18 Subd. 8. **Meetings.** The advisory committee must meet monthly until the energy transition
5.19 legacy plan is submitted to the governor and the legislature. The chair may call additional
5.20 meetings as necessary.

5.21 Subd. 9. **Expiration.** This section expires the day after the Minnesota energy transition
5.22 legacy plan required under section 3 is submitted to the legislature and the governor.

5.23 Sec. 3. **MINNESOTA ENERGY TRANSITION LEGACY PLAN.**

5.24 (a) By July 1, 2022, the Energy Transition Legacy Advisory Committee established in
5.25 section 2 must submit a statewide energy transition legacy plan to the governor and the
5.26 chairs and ranking minority members of the legislative committees having jurisdiction over
5.27 economic development and energy.

5.28 (b) The energy transition legacy plan must, at a minimum:

5.29 (1) identify the timing and location of facility closures and job layoffs for impacted
5.30 communities;

6.1 (2) provide an analysis of the estimated fiscal impact of plant retirements on local
6.2 governments;

6.3 (3) contain an explanation of the statutes and administrative processes that govern how
6.4 and when retired utility property impacts a local government's tax base, including an
6.5 explanation of how local governments receive notice of the impact of plant retirements from
6.6 the state and utilities;

6.7 (4) include a comprehensive review of existing state programs that might support
6.8 impacted communities and workers, and a projection of how effective or ineffective the
6.9 programs might be in responding to the impacts of facility closures; and

6.10 (5) provide recommendations for how to best respond to the economic implications of
6.11 facility closures.

6.12 Sec. 4. **APPROPRIATION.**

6.13 \$450,000 in fiscal year 2022 and \$450,000 in fiscal year 2023 are appropriated from the
6.14 general fund to the commissioner of employment and economic development for the Energy
6.15 Transition Legacy Office established under Minnesota Statutes, section 116J.5491.