

**State of Play
at #mnleg
(4/4/23) 100%**

Context







Context

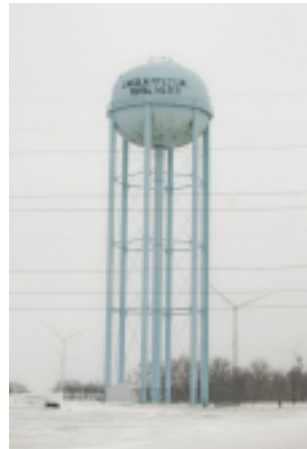
\$17.6

billion

Grounding

**MPCA Sector by
Sector Greenhouse
Gas Inventory for
Minnesota 2005-2018**

Context





Context

Strategies

Aug. 2022: IRA signed into law

Capsule History of
Climate Budget

Nov. 2021: IIJA signed into law

2019 2020 2021 2022 2023

2018: Fridays for Future launches in Sweden; Sunrise Mvmt occupies Speaker Nancy	Pelosi's Office re: Green New Deal Sept. & Dec 2019: House & Senate create Climate Action Caucuses	Feb. 2020: House proposes Can-Do Climate Agenda to invest \$191M Oct. 2020: House	CAC releases Climate Action Plan May 2021: Climate In All Budgets	strategy yields \$328M in climate investments Jan. 2022: House CAC proposes \$1B	Build MN Climate Budget Sept. 2022: Walz-Flanagan Climate Action
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August & Nov.

Framework is released

Dec. 2019: Gov. Walz issues EO 19-37, creating the Climate Change Subcabinet

Feb-April 2022: House holds climate hearings in Energy, Transportation, Environment, Capital Investment, &

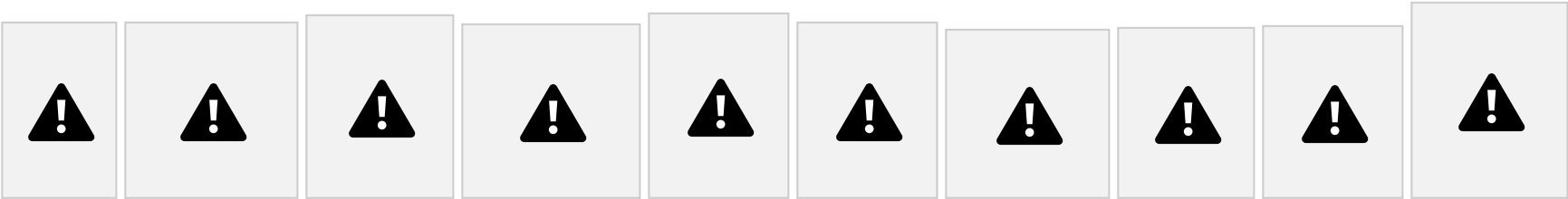
Dec. 2022: MMB Preventative Health Committees forecasts a \$17.6B state budget surplus

ContextClimate &

Transportation & Sustainable Energy Infrastructure

Capital Environment Agriculture

Investment





Legacy Taxes

Housing State & Local Govt



**Climate Action
Caucuses**

Economic & Workforce

Development Labor Higher Ed

Commerce

Joint Targets



There is a plausible path to ~ \$3b during FY 24-25.

Agriculture: ~ \$43m

Environment: ~ \$181m

Climate & Energy: \$255m

- RDA: ~ \$93m

- Cost Recovery: TBD - EV Buses + Intervenor Comp - MCIFA: TBD

- Federal Funds: Direct, Matched, & Competitive -

Commerce: Strengthen MN Homes + Climate Risk + Fair Repair **Jobs:** \$13m - Community Energy

Transition & Pre-apprenticeship **Labor:** Building Codes & Equity in Apprenticeship **State &**

Local: Infrastructure Resiliency Task Force **Elections:** RTV + AVR + Intimidation + Disinfo

+ Early + 16 **Transportation:** ~ \$1b / yr for transit + passenger rail + active **Taxes:** TBD; ~

\$20m-\$40m / year; See Taxes Slide **Capital Investment:** ~ \$150m + Sustainable Buildings

Guidelines **Lead Lines:** \$240m

Disaster Relief: \$40m

Climate & Energy

Proposal - Electricity House Senate Governor

Solar on Schools \$20m in FY 24 (GF) + \$20m in FY 24 (RDA) Solar on Public Buildings \$5m in FY 24 (GF) + \$5m in FY 24 (RDA)

Solar on Community Colleges	\$1.138m in FY 24 (RDA)	FY 24 (RDA)
Solar*Rewards	\$10m in FY 24-25 (RDA)	\$1.138m in FY 24 (GF)
	\$15m in FY 24 (GF)	\$1.138m in FY 24 (GF)
	\$61.5m in FY 24 (GF)	
	\$5m in	

Distributed Energy Upgrades \$10m in FY 24 (RDA) \$5m in FY 25 (RDA)

Transmission Line in ND \$17.5m in FY 24 (GF) Advanced Nuclear Study \$300k in FY 24 (GF)

Electric Grid Resiliency \$15m in FY 24 (GF) HOA Language Yes

Climate & Energy - Buildings Policy

Proposal House Senate Governor Existing Buildings Goal: 50%

Yes Yes

by 2035

Commercial Codes Update Yes In Senate Labor Yes Benchmarking \$3.5m in FY 24-25

\$1m in FY 24 (GF)

(GF)

Benchmarking - Utilities \$750k in FY 24 (GF) Benchmarking - Schools

\$750k in FY 24 (GF) New Energy Guidelines for

\$690k in FY 24

State Bldgs

Weather Trend Study for

\$690k in FY 24 (RDA)

Bldgs

Climate & Energy - Buildings Budget

Proposal
Strengthen MN Homes

House Senate Governor

\$7.478m in FY 24 (GF) \$7.478m in FY 24 (GF)
\$32.478m in FY 24-25 (GF)

Pre-Weatherization \$45.343m in FY 24-25 (GF) + \$10m in FY 24-25 (RDA); \$3.72m in FY 26-27 (GF)	Energy Storage \$3.328m in FY 24 (GF) + \$3m in FY 24 (RDA) \$23.97m in FY 24-25; \$690k ongoing (GF)	24 (RDA) \$2m in FY 24 (GF)+ \$10m in FY 24 (RDA) \$23.97m in FY 24-25; \$690k ongoing (GF)
Electric Panel Upgrades \$2.5m in FY 24 (GF) + \$2.5m in FY 24 (RDA)	\$3.5m in FY 24 (GF)+ \$3.5m in FY	
Heat Pump Rebates \$10m in FY 24 (GF) \$6m in FY 24 (GF)+ \$6m in FY 24		

(RDA)

Climate & Energy - Economy-wide, Consumer, Electric Vehicles Proposal

House Senate Governor

Next Generation Compensation
Climate Act Goals Yes

Intervenor

MCIFA \$20m in FY 24 (GF) \$5m in FY 24 (GF)

EV Rebates \$5m in FY 24 (GF) + \$12.45m in FY 24-25 (RDA)	EV School Bus \$7m in FY 24 (GF) + \$7m in FY 24 (RDA) \$2m in FY 24 (GF) + \$2m in FY 24 (RDA)
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EV Dealer Certification \$500k in FY 24 (GF) + \$500k in FY 24 (RDA)	\$2m in FY 24 (GF)+ \$2m in FY 24 (RDA)
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\$2m in FY 24 (GF) + \$5m in FY 24 (RDA)

Climate & Energy - Adaptation, Transition, & Economic Development

Proposal House Senate Governor

Local Climate Action Grants \$2m in FY 24 (GF) +
\$2m in FY 24 (RDA)

Weather Ready \$1m in FY 2024 (GF)

Energy Transition Grant Program	Utility Diversity Reporting Yes \$5m in FY 24 (RDA)
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Tribal Energy Grants \$4.82m in FY 24-25 (GF) MN Energy Alley \$3m in FY 24
(GF)

Battery Storage & MN Iron Ore Study \$500k in FY 24 (GF)

Green Fertilizer \$13,392m in FY 24 (GF)

Transportation

Proposal House Senate Governor Blue Line LRT \$50m in FY 24

Northern Lights Express \$194,300,000 in FY 24 \$50m in FY 24

Active Transportation - State \$10m in FY 24

Safe Routes to Schools \$1m in FY 24 \$20m in FY 24-25

MNDOT Mgmt vs. Met Council Yes

Federal Funds Coordinator Yes

Highway Transmission Language Yes

Transit Signal Priority Yes

Transit Fare Elimination Pilot Yes

Transit Safety Funding \$2m in FY 23 \$11.1m in FY 24; \$350k ongoing Motor Vehicle Sales Tax Transit (MVST) 34.5% (Metro) / 5.5% (Greater MN) Rail

Corridor Plan (TC > STC > Moorhead) Yes

Sustainable Aviation Fuel Yes

Environment

Proposal - MPCA House Senate Governor

Frontline Communities Protection Act \$18.747m in FY 24 \$915k in FY 24-25 / \$915k in FY 24-25 / \$600k in FY 26-27 \$600k in FY 26-27

Air Monitoring (HF 672, 673, 674) Yes w/ appropriations

Waste Prevention & Reduction Grants \$25.88m in FY 24-25 \$27.88m in FY 24-25 \$29.88m in FY 24-25

SCORE Funding \$8m in FY 24-25 \$4m in in FY 24-25 Zero Waste Program Yes

Hennepin County Zero Waste Report Compostable Labeling \$680k in FY 24 Yes

Biodegradable &

Resilient Communities Grants \$40m in FY 24 \$173.8m in FY 24 \$173.8m in FY 24; \$1.12m ongoing

MPCA Citizens Board Yes

Environment

Proposal - DNR House Senate Governor EAB Response \$37m in FY 24

EAB in State Parks \$10m in FY 24

School Tree Planting \$1m in FY 24

Lowland Conifer Reserve \$5m in FY 24

1854 Treaty \$19.9m in FY 24-25 \$3m/yr in FY 24, 25, 26, 27

State Forests / Forest for the Future \$6m in FY 24 \$3m in FY 24-25 / \$3m in FY 24-25 / \$3m in FY 27-27

Wetlands in WMAs \$15m in FY 24 \$5.134m in FY 24 \$10m in FY 24

Environment

Proposal - BWSR House Senate Governor

Soil Health Program Language Only \$13.38m in FY 24-25 \$13.58m in FY 24, 25, 26, 27

SH: Carbon Market Applicability No Yes

Habitat Friendly Utilities \$1m in FY 24 \$1m in FY 24; \$100k ongoing

RIM - Grass / Working Lands \$17m in FY 24-25 \$16m in FY 24-25 \$22m in FY 24-25; \$800k ongoing

RIM - Peatlands \$7.5m in FY 24-25 \$15m in FY 24-25 \$15m in FY 24-25; \$1.42m ongoing

RIM - Easements \$7.1m in FY 24-25 \$7.1m in FY 24-25; \$960m ongoing

RIM Reserve \$3m in FY 24

Conservation Reserve Program
(CRP) \$5m in FY 24

Environment

Proposal - Met Council House Senate Governor EAB in Metro \$9m in FY 24

Inflow & Infiltration \$5m in FY 24

\$5m in FY 24 \$2.5m in FY 24 \$5m in FY 24

Mapping Infrastructure Risks

Agriculture

Proposal - Soil Health & Research House Senate Governor

Equipment Grants	SH Financial Asst	\$2m in FY 24-25 + SH
Soil Health / Soil Health	\$250k in 24, 25, 26, 27 +Program	Financial Asst

Program \$4m in FY 24-25

Forever Green \$1.38m in FY 24-25; \$1.26m in FY 26-27
Forever Green Equipment \$1m in FY 24
\$345k in FY 24, 25, 26, 27

Greenhouse at U
\$1m in FY 24-25

Deep Winter

Heritage Oilseed Research \$2m in FY 24-25

Climate Implementation Coordinator \$150k in FY 24, 25, 26, & 27
\$150k in FY 24, 25, 26, & 27

Agriculture

Proposal - Market Building House Senate Governor

Continuous Living Cover \$1m in FY 24-25 \$1.5m in FY 24-25 (\$1m dedicated to kernza);
\$500k in FY 26-27

\$700k in FY 24-25

Farm To School \$1m in FY 24, 25, 26, &
27

Grants to Farmer Market Hubs \$200k in FY 24-25

Minnesota Grown \$75k in FY 24, 25, 26, & 27

	\$500k in FY 24, 25, 26, & 27	\$450k in FY 24, 25, 26, & 27
Good Food Access Program	\$450k in FY 24, 25, 26, & 27	

Good Acre LEAFF Program \$200k in FY 24-25 \$600k in FY 24-25 \$100k in FY 24, 25, 26, & 27

Agriculture

Proposal - Emerging Farmer House Senate Governor

Beginning & Emerging Farmers \$800k in FY 24-25; \$400k in FY 26-27
\$250k in FY 24, 25, 26, & 27

Emerging Farmer Office Expansion	Beginning Farmer Farm Business Mgmt Scholarships	w/ New Language
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Beginning Farmer Equipment & Infrastructure Grants	Farm Down Payment Assistance Grants	\$250k in FY 24, 25, 26, & 27 w/ New Language
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24-25

\$700k in FY 24-25; \$1.25m
in FY 26-27

\$900k in FY 24-25 \$1m in FY \$200k in FY 24, 25, 26, & 27

New Language
\$500k in FY 24-25

Hemp Processing \$2m in FY 24-25 w/

Urban & Youth Agriculture \$1m in FY 24, 25, 26, & 27 \$600k in FY 24, 25, 26, & 27 \$600k in FY 24, 25, 26, & 27

Labor

Proposal House Senate Governor Commercial Codes Update In House Climate Yes Yes

Commercial Codes Staff \$146k ongoing \$146k ongoing \$146k ongoing Existing Bldg
Efficiency \$406k ongoing \$406k ongoing \$406k ongoing EV Charging Staff \$163k ongoing
\$163k ongoing \$163k ongoing

Growing Clean Economy Apprenticeships \$3m in FY 24 \$3m in FY 24 \$3m in FY 24
\$2.284 in FY FY 26-27
26-27 \$2.276m in FY 24-25; \$2.284 in
LEAP \$2.276m in FY 24-25; \$2.276m in FY 24-25; \$2.284 in FY 26-27

Commerce

Proposal House Senate Governor

Strengthen MN Homes Program	Yes; Language in Commerce; Appropriation in	Climate Budget Language & Appropriation in	Energy Budget Yes
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Climate Risk Disclosure Yes

Digital Fair Repair Yes

Jobs / Workforce / Economic Development

Proposal House Senate Governor

\$10m in FY 24-25 In Senate Energy

Community Energy Transition
Grant Program

\$1m in FY 24, \$2m
in FY 25

Clean Economy Equitable
Workforce

State & Local Government

Proposal House Senate Governor

Advisory Task Force

Infrastructure Resilience \$165k in FY 24

Joint Targets



Taxes

- **Climate Action Tax Credit:** HF 810 (Brand) / SF 42 (Klein) creates a Climate Action Tax Credit that Minnesota families can use to improve their homes with improved heating systems, smarter thermostats, cleaner electricity, and more transportation options.
- **Electric Generation Transition Aid:** HF 1427 (Brand) / SF 1172 (Mathews) would create an electric generation transition aid program for counties, cities, townships, and school districts. The aid is designed to replace for up to twenty years any property tax base that these communities lose as electric generation facilities retire.
- **Energy Storage System Tax Exemption:** HF 178 (Stephenson) / SF 369 (Hoffman) would, upon request, exempt owners of energy storage systems from personal property taxes, provide a refund to the owner for taxes payable in 2022 and 2023, and reimburses counties for their lost revenue.
- **Temporary Solar Energy System Credit:** HF 2311 (Bierman) / SF 2935 (Xiong) would provide a decelerating tax credit of 15% to 11% from 2022 to 2026 for the cost of purchasing and installing a solar energy system by eligible taxpayers served by a municipal or cooperative utility.
- **Electric-Assisted Bicycle Credit:** HF 2360 (Rehm) / SF 2653 (Fateh) would provide a tax credit of up to 75% of, or \$1,500 for, the purchase of an electric-assisted bicycle. The total amount phases down to 50% for families making over \$50,000 annually.
- **Beginning Farmer Tax Credit:** HF 2277 (Vang) / SF 1879 (Putnam) would lift from 5% to 8%, or \$50,000 the amount that an owner of an agricultural asset may deduct if they are selling to a beginning farmer. The amount increases to 12% for socially disadvantaged farmers.

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