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TO: Goodhue County Board of Commissioners
FROM: Lucas Dahling, Finance Director
SUBJECT: Potential Community Energy Transition (CET) Grant
DATE: March 4, 2025

Background

The Department of Employment and Economic Development, through its Office of Energy Transition, is seeking applications from qualified responders to assist eligible communities to address the economic dislocation and social impact associated with the closing of a local electric generating plant.

Discussion

Eligible applicants include counties in which an electric generating plant owned by a public utility that is powered by nuclear energy that is currently operating and whose current operating license expires within 15 years of July 1, 2023. Xcel Energy's Prairie Island Nuclear Power Plant currently has licenses to operate through 2033 and 2034, which falls within the eligibility period.

Eligible projects include planning for or addressing the economic and social impacts of the eventual closure of a power plant. There are a wide variety of potential uses of the CET grant funds, but all projects must be designed to 1) increase the eligible community's property tax base, 2) develop alternative economic development strategies to attract new employers to the eligible community, and 3) assist workers at the plant find new employment, including worker retraining and developing small business start-up skills.

Goodhue County previously ran a program in which building permit fees for new housing units were reimbursed, thereby incentivizing the construction of additional housing throughout the County. This program ran for just over four years and assisted with the creation of 333 single-family dwelling housing units and 256 multi-unit housing units. The average reimbursement cost for a single-family housing unit was \$2,075 while the average cost for a multi-unit housing unit was \$621.

Staff are proposing to apply for the CET Grant for the remaining available balance of \$499,750. The purpose would be to restart and expand the building permit reimbursement program. Rather than limiting reimbursements to new housing units only, the enhanced program would allow permit reimbursements for new construction for all commercial, industrial, and residential buildings as well as sewer access charges (SAC) and water access charges (WAC) fees associated with these structures.

Find your Good here.

Staff feel the program would qualify for the grant as 1) new commercial, industrial, and residential buildings increase the County's tax base, 2) the program would incentive the expansion of current businesses as well as potentially bring new companies to the area, and 3) the economic development related to new or expanded businesses would create additional jobs.

Direction

Staff are looking to gauge the interest of the Board as to whether or not they should move forward with this potential grant opportunity.



Community Energy Transition Grant Program

Application Packet

SFY 25

Minnesota Statute 116J.55

Authorizing Legislation

The Energy Transition Office is accepting applications for grant funding for energy transition projects through the Community Energy Transition grant program under [Minnesota Statutes 116J.55](#).

Funds Available

Approximately \$10 million is available for distribution for the Community Energy Transition grant program.

SFY 24 - \$4,750,000 million

SFY 25 - \$4,750,000 million

A portion of State Fiscal Year 24 funding has been awarded. Call DEED if interested and a current amount funds available will be provided.

Per [Minnesota Statutes 116J.55](#) A grant awarded to an eligible community under this section must not exceed \$1,000,000 in any calendar year. The commissioner may accept grant applications on an ongoing or rolling basis. Eligible communities that were awarded grant funding up to \$1,000,000 this calendar year are not eligible to apply for funding this calendar year.

Background/Purpose

The Department of Employment and Economic Development, through its Office of Energy Transition, is seeking proposals/applications from qualified responders, as defined in [Minnesota Statutes 116J.55](#), to assist eligible communities to address the economic dislocation and social impact associated with the closing of a local electric generating plant.

Eligible Applicants

A County, Municipality (including township), or Tribal government located in Minnesota in which an electric generating plant owned by a public utility, as defined in section 216B.02, that is powered by coal, nuclear energy, or natural gas:

(1) is currently operating and (i) is scheduled to cease operations or, (ii) whose cessation of operations has been proposed in an integrated resource plan filed with the commission under section [216B.2422](#), or (iii) whose current operating license expires within 15 years of the effective date of this section; or

(2) ceased operations or was removed from the local property tax base no earlier than five years before the date an application is made for a grant under this section.

Eligible Projects

An eligible community awarded a grant under this section may use the grant to plan for or address the economic and social impacts on the eligible community of the electric generating plants cessation of operations, including but not limited to **land use studies, economic planning, researching, planning, and implementing activities, capital costs of public infrastructure necessary for economic development, and impact studies and other planning activities enabling communities to become shovel-ready and support the transition from power plants to other economic activities to minimize the negative impacts of power plant closures on tax revenues and jobs** designed to:

- (1) assist workers at the plant find new employment, including worker retraining and developing small business start-up skills.
- (2) increase the eligible community's property tax base; and
- (3) develop alternative economic development strategies to attract new employers to the eligible community.

Collaboration

Partnership, collaborations, and community engagement are required between entities with similar strategies, linked to comprehensive plans, to address the impacts of plant closure in the community. Joint agreement and letters of support provide evidence of strong partnerships toward a common goal. Impacted communities must engage with stakeholders (for example: regional planning councils, economic development organizations, educational institutions, organizations representing workers, sovereign nations, non-profits, etc.). Successful applications will also include minutes from at least one public meeting that allowed for public input, with public discussion, of the proposed use of the Community Energy Transition Grant funds and how it relates to the community's transition planning.

Max Grant Amount

The maximum award is up to \$1m per calendar year. All applications will be scored based on the Scoring Methodology outlined in the Proposal Evaluation and Selection section. Based on the number of eligible applications, funding availability and award amounts will be determined solely by DEED.

Public Infrastructure means publicly owned physical infrastructure, including, but not limited to, wastewater collection and treatment systems, drinking water systems, storm sewers, utility extensions, telecommunications infrastructure, streets, roads, bridges, parking ramps, facilities that support basic science technology and clinical research, and research infrastructure. Funds may also be used to acquire and prepare land on which public infrastructure required to support an eligible project will be located, including demolition of structures and remediation of any hazardous conditions on the land, or to predesign, design, acquire, construct, furnish, and equip public infrastructure required to support an eligible project.

Capital Costs are defined as an expenditure associated with the improvements to the land, (land costs can be capital costs) made as part of the activities for which application funds are being requested. Capital Costs cannot include feasibility studies, platting, or project administration.

Match Requirement

The Community Energy Transition Grant does not have a match requirement. However, it is important for the grant program and for public education to know all the work and investments that the community has completed and will be investing and completing for this project. This is an opportunity to educate and explain the work your community/county has done to get to this point and to propel you forward. Other resources/investments can include but are not limited to in-kind time; cash; work and costs associated to other studies and planning to support this project; surveys; developer work including platting, environmental work, easement acquisition, topos, design work; and other that you have worked on not listed.

Application Requirement/Timetable

Applications will be accepted and awarded on a rolling application basis until all funds are committed. Eligible applicants must email their application to CETGP.DEED@state.mn.us. Application for State Fiscal Year 25 opens on July 1, 2024, and runs until June 30, 2025, or when the funds are expended.

Application should contain the following:

- One PDF file for application and attachments
- Separate PDF file of the Pre-Award Risk Assessment
- Signed Resolution from the City
- If a county is the applicant, a signed resolution from the city hosting the power plant.

Applicants will get an email confirmation when an application is received. If you do not get a confirmation, assume your application was not received.

Resolution

A resolution indicating applicant eligibility, and approval of the project must be completed and submitted with the application. (A sample resolution has been provided in the application). You may choose to re-format this resolution but make sure to include all the statements that appear in the sample resolution.

Application Evaluation Criteria

The review committee will be reviewing each proposal on a 100-point scale. The scoring factors and weight that applications will be judged on are:

1. *Project Scope: 10 points*
2. *Timing: 10 points*
3. *Financing/Budget: 10 points*
4. *Economic Impact: 25 points*
5. *Community Impact: 25 points*
6. *Partnership, Collaboration and Community Engagements: 20 points*

Total points – 100 points.

| | |
|---|-------------------------|
| Section 1: Executive Summary | Total points: 0 |
| Provide a summary of your proposal/plan (limit to one page). Include your organization’s history, purpose, and mission as well as your organizational structure, unique strengths, and capacity to deliver services to the impacted community. | |
| Section 2: Project Scope | Total points: 10 |
| Clearly Defined Statement | |
| Provide a summary of your organization’s plan, base your summary on the following: | |
| <ol style="list-style-type: none"> 1. Is the plan clearly defined, relevant, and attainable? 2. Are the outcomes detailed, relevant and attainable? 3. Is there a clear correlation between the plan and the plant closing? 4. Anticipated impact of the project on the community, including workers. 5. Map of the project location, if applicable. | |

| | |
|---|-------------------------|
| Section 3: Timing | Total points: 10 |
| <i>Plants scheduled to close soonest or are closed are highest priority.</i> | |
| <ol style="list-style-type: none"> 1. Date plant closed/will close. 2. Date project is scheduled to begin. 3. Date project is scheduled to be completed or plan implemented. 4. Is the timeline and project schedule logical? 5. Will the activities be completed within the grant term. 6. Is the project/plan ready to begin (financing, partnership, agreements)? | |
| Section 4: Financing/Budget | Total points: 10 |
| <i>Project with comprehensive budgets and full financing are highest priority (5 points)</i> | |
| <ol style="list-style-type: none"> 1. Is the budget detailed, clear, and logical? Is there a bid proposal included with costs broken out? 2. Are the costs reasonable and necessary for the implementation of the plan? 3. Is the project fully financed? 4. What other funding sources are being leveraged? By whom? How much? | |
| Section 5: Economic Impact | Total points: 25 |
| <i>Project with the highest tax and job loss are highest priority.</i> | |
| <ol style="list-style-type: none"> 1. Provide the dollar amount of tax loss from plant closure. 2. Impact of tax loss on the community. 3. Effect of project on tax base. 4. Job loss from plant closure. 5. County unemployment rate. 6. Impact of job loss on the community. 7. Project's effect on job loss. 8. Other economic impacts. | |
| Section 6: Community Impact | Total points: 25 |
| <i>Projects that effectively address challenges are highest priority.</i> | |
| <ol style="list-style-type: none"> 1. Provide relevant challenges to community due to plant closure. 2. Challenges to community outside of plant closure. working together with others – neighboring communities, Tribal government, etc. 3. How does the plan address these challenges? | |
| Section 7: Partnership, Collaboration and Community Engagements | Total points: 20 |
| <i>Projects with greatest partnerships and collaboration are high priority.</i> | |
| <ol style="list-style-type: none"> 1. List other partnerships or collaborations within the community, region, etc. Include non-profits, education, utility, unions, sovereign nations, neighboring governmental entities, disenfranchised groups in the community and outside the communities that will/ feel the impact of the closure List them. 2. Are joint agreements or letters of support attached to the proposal? If so, from whom and how many letters? How current are the letters? 3. Is the project consistent with the community's comprehensive plan? City &/or County Comprehensive Economic Development Strategy (CEDS) plan? Other regional planning and | |

economic development efforts? If so, educate on how. How current is the planning? Who was involved in the planning efforts?

4. Describe the public engagements with the community? Proposed public engagements?
5. What strategies are being used AND will be used to strength partnerships and collaboration?
6. If applicable, do you have control of the subject property? If so, please attach proof. If not, what is the plan to ensure that the property owner will cooperate with the proposed project? Documentation to the fact shall be attached.

All applications should address the evaluation criteria. A detailed narrative corresponding to the evaluation criteria listed above should be attached to the application form. All portions and questions in the application form should be completed and answered fully.

Conflict of Interest Disclosure Form

The “Conflict of Interest Disclosure Form” provided in the application form must be completed, signed, and submitted. The form can also be found here: [Conflict of Interest Disclosure](#)

Pre-award Risk Assessment

All applicants must complete the Pre-Award Risk Assessment for local units of government. The risk assessment should be submitted with the completed application. The Pre-Award Risk Assessment is available on the DEED website. https://mn.gov/deed/assets/pre-award-risk-assessment-bdpi_tcm1045-606210.pdf

Program Requirements

Successful applicants will be required to:

- Prior to the contacts being signed, an implementation meeting will be scheduled in the community. The meeting will cover the terms, conditions, and scope of the project among other items.
- Annual monitoring (on-site) visits during the grant period on all grants of \$250,000 and higher
- Conducting a financial reconciliation of grantee’s expenditures at least once before final payment on grants of \$50,000 and higher. For this purpose, the grantee must make expense receipts, employee timesheets, invoices, and any other supporting documents available upon request by the State.
- Submit quarterly progress reports (with photos etc.). The quarterly narrative should describe progress of the grant (due the 30th of the month following the end of the quarter).
- Submit end of year report (due at the end of the State Fiscal Year). Submit monthly Reimbursement Payment Request Forms (RPRs) or Financial Status Reports (FSRs) with receipts and invoices to designated contact within DEED. RPRs or FSRs must accurately reflect actual grant expenditures and obligations consistent with rates which grant administrators will be able to track.

Checklist: Application Content and Instructions

- **Executive Summary**
Provide a one-page overview of the proposed project.
- **Application Form**

- **Work Plan/Work Schedule and Timeline**
Describe the goals for the funding. The plan MUST include measurable outcomes.
- **Budget Information Summary**
Provide a summary of the budget of the proposal/plan.
- **[Conflict of Interest Disclosure](#)**
- **Resolution from local government in support of the project**
- **Pre-award Risk Assessment**

Contacts

For technical assistance in interpreting instructions and to submit questions, please email, Mike McCrownsey email, mike.mccrownsey@state.mn.us or Carla Vita, carla.vita@state.mn.us Questions can also be submitted through the Community Energy Transition Grant Program email box CETGP.DEED@state.mn.us.

Individuals with disabilities who need alternative formats can contact DEED at 651-802-2238.

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Great Northern Building
180 East Fifth Street, 12th floor St. Paul, Minnesota 55101
Energy Transition Office, Business & Community Development
651-802-2238 / 651-259-7037
Email: CETGP.Deed@state.mn.us

Community Energy Transition Grant Application

Cover Page

Applicant (Community) _____

Head of Applicant Agency (e.g. Mayor): _____

Applicant Address: _____

City: _____ State: _____ Zip Code: _____

If the applicant is a city, please select your city category: Home Rule Charter Statutory City

For reference, please give the State Statute number which gives the applicant authority to carry out the activities for which you are requesting grant funds. _____

By completing and submitting this grant application you affirm that you have authority to submit this request on behalf of the applicant agency, and the information submitted is true and correct.

_____/_____/_____
Signature of Head of Applicant Agency Date

Project Contact for the Community

Name: _____

Phone: _____ E-mail: _____

Mailing Address: _____

Project Manager for this project, in the event of an award

Name: _____

Phone: _____ E-mail: _____

Application Author:

Phone: _____ E-mail: _____

PROJECT AREA INFORMATION

1. Project Area address or boundaries: _____

City: _____ Zip Code: _____

2. Is this within the retail electric service territory of the public utility that is subject to section 116C.779 or to an eligible community in which an electric generating plant owned by that public utility is located?

Yes No

3. Minnesota Legislative District # _____ A _____ B

Note: The Minnesota Legislature has a tool to look up legislative district numbers. You must have a precise address and know the zip code of the site. Go to: <http://www.gis.leg.mn/OpenLayers/districts/>

PLANT CLOSURE TIMELINE

4. Name of Plant _____

The plant in my community is currently in operation. Yes No

If yes, select and complete one or more of the following:

The plant in my community is scheduled to cease operations on _____.
(Attach schedule documentation)

A proposal for a cessation of operations via an Integrated Resource Plan has been filed with the Public Utilities Commission under Minnesota Statutes, section 216B.2422 on _____.

(Attach most recent filing)

The plant's current operating license expires within 15 years of July 1, 2023. **(Attach license documentation)**

If no, select and complete one or more of the following:

The plant in my community ceased operations on _____. **(Attach cessation documentation)**

The plant in my community was removed from the local property tax base on _____. **(Attach documentation)**

PROJECT/PROGRAM

5. Name of Project _____

Please **attach a detailed narrative of the proposed project/plan**. How much money are you requesting (cannot exceed \$1,000,000). Describe and define the project area, discuss the positive economic and social impact resulting from the project/plan, and how the community will benefit from the project or program.

PROJECT COSTS

6. What are the total project costs? \$ _____

7. How much grant funding are you requesting from DEED (cannot exceed \$1,000,000)? \$ _____

8. Fill out the budget table below indicating the sources, uses, and amounts of **all** funds including DEED requests that will be used for costs as defined in this application.

| Use of Funds (Activity) | Amount | Source of Funds (DEED, City, County, Private) | Date Funds were/will be Committed |
|----------------------------|--------|---|--------------------------------------|
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9. How were these costs determined? Bids, consultant, historical reference?

10. Explain why these costs are necessary to implement the project.

11. Is all the project's financing in place (bank account, grants, bonds, lending approval)?

If not, when will it be secured?

ECONOMIC IMPACT – TAX BASE

12. What were the plant property taxes for the past 10 years? (Fill out the 10-year tax table)

County, City, and School taxes.

If the plant has closed, please leave closed years blank.

| Year | Tax Amount City | Tax Amount County | Tax Amount School |
|------|-----------------|-------------------|-------------------|
| 2025 | | | |
| 2024 | | | |
| 2023 | | | |
| 2022 | | | |
| 2021 | | | |
| 2020 | | | |
| 2019 | | | |
| 2018 | | | |
| 2017 | | | |
| 2016 | | | |

13. Describe the local tax impact due to plant closure. This includes county, school districts, etc.

14. Describe how this project addresses the impact of tax loss on the community?

ECONOMIC IMPACT – EMPLOYMENT

15. How many people did the plant employ in each of the past 10 years? (Fill out the table with 10 years of employment data)

If the plant has closed, please leave the closed years blank.

| Year | Number of Employees |
|------|---------------------|
| 2024 | |
| 2023 | |
| 2022 | |
| 2021 | |
| 2020 | |
| 2019 | |
| 2018 | |
| 2017 | |
| 2016 | |
| 2015 | |

16. At the height of employment, how many people did the plant employ? _____

What year was this? _____

17. What is the current unemployment rate in your county? _____

If the plant has been closed, how was the unemployment rate affected after the plant closure?

18. Describe the real or projected impact of job loss on the community due to plant closure. This includes job loss from the plant and area businesses.

19. How does this project address the impact of job loss on the community?

COMMUNITY IMPACT

20. What are additional challenges facing your community due to plant closure?

21. Besides the plant closing, what are the 3 biggest challenges your community faces?

22. Describe how your plan addresses these challenges.

PARTNERSHIPS, COLLABORATION AND COMMUNITY ENGAGEMENT

23. Describe any partnerships or collaborations associated with the project. How do these strengthen the project or improve outcomes? Attach letters of support or joint agreements as appropriate.

24. Is this project consistent with the community's comprehensive plan?

25. Describe your engagement with community stakeholders, landowners, sovereign nations, adjacent communities, marginalized communities, et al. with
 - a. the strategies for the long term (industries, land use, workforce, etc.) **or**

 - b. the particular development or project?

Year 2025

| Task | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec |
|------|-----|-----|-----|-----|-----|-----|-----|-----|------|-----|-----|-----|
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PAYMENT INFORMATION

Most grant payments take place through electronic funds transfer (EFT). To ensure proper payment, a Vendor Number assigned by Minnesota Management & Budget is required.

Financial Contact Person: _____

Telephone Number or e-mail: _____

State of Minnesota Vendor Number: _____

If a Minnesota Vendor Number does not exist, please supply:

Minnesota Identification Number: _____

and

Federal Employer Identification Number: _____

Instructions: Please return your completed form as part of the Response submittal.

Conflict of Interest Disclosure Form

This form gives applicants and grantees an opportunity to disclose any actual or potential conflicts of interest that may exist when receiving a grant. It is the applicant/grantee's obligation to be familiar with the Office of Grants Management (OGM) [Grants Policy 08-01 Conflict of Interest Policy for State Grant-Making effective date 1/1/22](#) and to disclose any conflicts of interest accordingly.

All grant applicants must complete and sign a conflict-of-interest disclosure form.

I or my grant organization do NOT have an ACTUAL or POTENTIAL conflict of interest.

If at any time after submission of this form, I or my grant organization discover any conflict of interest(s), I or my grant organization will disclose that conflict immediately to the appropriate agency or grant program personnel.

I or my grant organization have an ACTUAL or POTENTIAL conflict of interest. (Please describe below):

If at any time after submission of this form, I or my grant organization discover any additional conflict of interest(s), I or my grant organization will disclose that conflict immediately to the appropriate agency or grant program personnel.

Printed name: _____

Signature: _____

Organization: _____

Date: _____

APPLICANT RESOLUTION

Applicants must attach a resolution approving this application from the governing body of the community in which the project is located. **A grant application made by a county must also include a resolution of support from the legislative body in the city in which the electric generating plant is or was located.** Blank resolutions have been attached for your convenience. You may choose to re-format these resolutions but make sure to include all of the statements that appear in the blank resolutions.

Applicants must adopt and submit the following resolution. This **resolution must be adopted prior to submission** of the application package.

WHEREAS, the _____ is a Community under Minnesota Statute §116J.55;
(Applicant)

NOW THEREFORE BE IT RESOLVED that _____ act as the legal
(Applicant)

Sponsor for project(s) contained in the Community Energy Transition Grant Program to be submitted on _____

and that _____ is hereby authorized to apply to the Department of
(Title of Authorized Official)

Employment and Economic Development for funding of this project on behalf of _____
(Applicant)

BE IT FURTHER RESOLVED that _____ has the legal authority to
(Applicant)

apply for financial assistance, and the institutional, managerial, and financial capability to ensure adequate project administration.

BE IT FURTHER RESOLVED that _____ has not violated any
(Applicant)

Federal, State, or local laws pertaining to fraud, bribery, graft, kickbacks, collusion, conflict of interest or other unlawful or corrupt practice.

BE IT FURTHER RESOLVED that upon approval of its application by the state, _____
(Applicant)

may enter into an agreement with the State of Minnesota for the above referenced project(s), and

that _____ certifies that it will comply with all applicable laws and regulation as stated in all grant contract agreements.

NOW, THEREFORE BE IT FINALLY RESOLVED that the Mayor and the Clerk (for Statutory Cities), or Title of Authorized Official(s), are hereby authorized to execute such agreements as are necessary to implement the project on behalf of the applicant. Note: Do not include the proper name, only the title of the official(s). **Pursuant to Minnesota Statutes, section 412.201, Statutory Cities must authorize both the Mayor and Clerk to execute all contracts**, whereas Home Rule Charter Cities or other public entities may differ.

I CERTIFY THAT the above resolution was adopted by the _____
(City Council, County Board, etc.)

of _____ on _____
(Applicant) (Date)

SIGNED:

WITNESSED:

(Authorized Official)

(Signature)

(Title)

(Date)

(Title)

ACCOMPANYING RESOLUTION

This resolution is required for cities to approve an application that is submitted by a county where the project area includes the city in which the electric generating plant is or was located. This adopted resolution must be submitted with the application in addition to the county's resolution.

BE IT RESOLVED that the city of _____ (City within project location) has approved the Community Energy Transition grant application to be submitted to the Department of Employment and Economic Development (DEED) on _____ (Date), by _____ (Applicant) for the _____ (Project Name) project.

I certify that the above resolution was adopted by the city council on _____ (Date).

Signed: _____ (Authorized Official)

Title: _____ Date: _____

Witnessed by: _____

Title: _____ Date: _____

APPENDIX A: FOR PUBLIC INFRASTRUCTURE PROJECT

1. Will the applicant own and maintain the Public Infrastructure? Yes No

If not, explain.

2. Does the applicant have site control of the Public Infrastructure project area? Yes No

If not, explain.

3. Is the Public Infrastructure project necessary for economic development? Yes No

If yes, explain.

4. What economic development activity will the Public Infrastructure serve?

5. Describe the status of permitting necessary for the project being secured. Include permit expectations and timeframes for approval.

6. Will the Public Infrastructure project be fully sponsored by this grant? If not, what percentage?

Construction projects cannot be awarded to a contractor (by the city or county) or started prior to being awarded the grant.

Funds cannot be used for privately owned infrastructure.

Grantees are required to complete annual reports to DEED. Grant report template will be provided. Grantee will be monitored for compliance and performance.