

April 21, 2025

Senator Erin Murphy,
Majority Leader
95 University Avenue W.
Minnesota Senate Bldg., Room 3313
St. Paul, MN 55155

Senator John Marty, Chair
Finance Committee
95 University Avenue W.
Minnesota Senate Bldg., Room 3235
St. Paul, MN 55155

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

Commissioner Erin Campbell,
Minnesota Management and Budget
Legislative Advisory Commission
400 Centennial Office Building
658 Cedar Street
St. Paul, MN 55155

Representative Lisa Demuth,
Speaker of the Minnesota House of Representatives
2nd Floor Centennial Office Building
658 Cedar Street
St. Paul, MN 55155

Representative Cedrick Frazier, Co-Chair
Ways and Means Committee
5th Floor Centennial Office Building
658 Cedar Street
St. Paul, MN 55155

Representative Paul Torkelson, Co-Chair
Ways and Means Committee
2nd Floor Centennial Office Building
658 Cedar Street
St. Paul, MN 55155

Representative Patty Acomb, Co-Chair
Energy Finance and Policy Committee
5th Floor Centennial Office Building
658 Cedar Street
St. Paul, MN 55155

Representative Chris Swedzinski, Co-Chair
Energy Finance and Policy Committee
2nd Floor Centennial Office Building
658 Cedar Street
St. Paul, MN 55155

RE: State Competitiveness Fund Match Program: Funds allocated under the Standard Response Application Round

Dear Majority Leader Murphy, Speaker Demuth, Chair Marty, Co-Chair Frazier, Co-Chair Torkelson, Chair Frentz, Co-Chair Acomb, Co-Chair Swedzinski and Commissioner Campbell:

This letter addresses the notification requirement set forth by the Legislature in Minnesota Statutes, Chapter 216C.391, Subd. 6(c)(2) as outlined in the language below:

[216C.391] MINNESOTA STATE COMPETITIVENESS FUND.

(c) Within ten business days of determining a grant award amount to an applicant, the commissioner must:

(1) reserve that amount for that specific grant in the state competitiveness fund account; and

(2) notify the Legislative Advisory Commission in writing of the reserved amount, the name of the applicant, the purpose of the project, and the unreserved balance of funds remaining in the account.

As required by Minnesota Statute 3.197: This report cost approximately \$425.00 to prepare, including staff time.

This information is also posted on the department's website. If you have any questions, please do not hesitate to contact me or Pete Wyckoff, Deputy Commissioner of Energy Resources at (651) 539-1850 or Pete.Wyckoff@state.mn.us.

Sincerely,



Grace Arnold
Commissioner



**State Competitiveness Fund Matching Funds Program:
Funds allocated under Round 5, Batch 1**

April 21, 2026

State Competitiveness Fund Matching Funds Program: Funds allocated under Round 5, Batch 1

In accordance with requirements set forth in Minnesota Statutes 216C.391, Subd. 6(c)(2) State Competitiveness Fund, this notification is provided to the Legislative Advisory Commission (LAC).

Program Background

Minnesota Statutes 216C.391 established the Minnesota State Competitiveness Fund (SCF) with the purpose of increasing the competitiveness of eligible Minnesota entities in the pursuit of federal funds under the Infrastructure Investment and Jobs Act (IIJA) and the Inflation Reduction Act (IRA). The funding was appropriated to provide state matching funds, grant development assistance, grants to reduce project costs that receive federal loans or tax credits within disadvantaged communities, and to provide technical assistance to eligible entities.

Within the \$190 million appropriation, the 2023 state legislature appropriated \$100 million beginning July 1, 2023, for the funding of an SCF Matching Funds program to assist the state and other eligible Minnesota entities seeking federal grant awards for energy projects under the IRA and IIJA. The statute was amended in the 2024 legislative session to allow for matching funds to be awarded for cost share for any federal funding opportunity that meets state clean energy goals, expanding beyond the IRA/IIJA restriction.

As part of the reservation process, Minnesota Statutes 216C.391 Subd. 6 requires:

(c) Within ten business days of determining a grant award amount to an applicant, the commissioner must:

- (1) reserve that amount for that specific grant in the state competitiveness fund account; and*
- (2) notify the Legislative Advisory Commission in writing of the reserved amount, the name of the applicant, the purpose of the project, and the unreserved balance of funds remaining in the account.*

Application Periods

The first four rounds of the SCF Matching Funds program selectees were previously announced. The LAC Notification Report documents for the previous rounds are posted for public viewing on the Commerce [State Competitiveness Fund web page](#). Reservation awards ranged from \$29,000 to \$10 million with an average award size of \$784,361. Because not all the funds reserved during the previous four rounds were awarded the federal funds they pursued, unawarded funds have again become available for reservation.

The remainder of this Notification document focuses on the details of the first batch of applications from Round 5 of the SCF Matching Funds reservation allocation process, including funds available, the number of applications, the number of awards, the amount of SCF Matching Funds allocated under this round, remaining funds appropriated for SCF Matching Funds program use, and next steps.

Round 5 opened on November 3, 2025, with approximately \$35,000,000 available for reservation at the time of the request for proposal (RFP) release; allocated funds by priority category for Round 5, Batch 1 is shown in Table 1 below. Round 5 was for eligible applicants who were either entities located in Minnesota and eligible to receive federal funds, or entities having at least one Minnesota-based partner, as determined by the grantor of the federal funds. Applicants must have applied or been in the process of applying for an eligible federal formula or competitive funding opportunity. Round 5 remains open for additional submissions and Commerce will continue to review applications on a rolling basis.

Table 1: Allocation Amounts by Priority Category for the SCF - Round 5, Batch 1

Priority Category	Total Number of Approved Applications	Entity Prioritization Order	Recommended Reservation per statutory requirements
1	0	federal formula funds directed to the state that require a match; (State’s match requirement for 40101d)	\$0
2	2	a political subdivision or a Tribal government, for eligible funding opportunities that require a match;	\$1,099,203
3	3	an institution of higher education, a consumer-owned utility, a business, or a non-profit organization, for eligible funding opportunities that require a match;	\$1,859,999
4	0	investor-owned utilities, for funding opportunities that require a match;	\$0
5	1	an eligible entity not included in clauses (1) to (4); for funding opportunities that require a match;	\$258,900
6	0	eligible entities for funding opportunities not requiring a match, but for which cost share would enhance likelihood of grant receipt or to increase the potential amount of federal funds received.	\$0
		Total Funds Reserved	\$3,218,102.00
		Total Funds Available	\$42,259,090.98*

**Priority Category 1: \$5 million set aside for Commerce cost share requirement for 40101d Grid Resilience Formula Grants. Not allocated as part of SCF Matching Funds Program.*

Round 5, Batch 1 Applications

Ten applications were received under Round 5, Batch 1, with funding requests totaling \$15,927,102.87.

Allocation of Round 5, Batch 1 Funds

The funding to be allocated under the SCF Matching Funds program was divided amongst the statutorily set Entity Priority Categories. The entire allocation of remaining funds was not utilized during this application round due to the number of applications and the restriction on the amount of funding that could be allocated to grants of \$1 million or more.

As a result, the total funds reserved in Round 5, Batch 1 equals \$3,218,102.00 for six Minnesota-based projects. Reservation requests for Round 5, Batch 1 for \$12,263,166 are still under review, pending additional deliberation. Some awards were reduced to fit within grant funding level restrictions. For visualization of awardees across Minnesota, a map that indicates the zip codes of all SCF Matching Fund Program awardees can be found in Table 3: Geographic Dispersion of SCF Matching Funds Reservation Awardees.

Of note: after Notice of Intent to Award letters were sent out to successful SCF awardees for previous rounds, some of the awardees holding an SCF Matching Funds reservation learned their project would receive funding from the federal programs under which they applied to the SCF Matching Funds Program while others learned their federal applications would not be awarded. The reserved SCF funds for projects that did not receive their requested federal grant funding will be rolled back into the SCF Matching Funds Program for reassignment to other eligible entities/projects.

As of April 16, 2026, the re-absorption of these funds combined with the Round 5, Batch 1 reservations bring the total SCF funding available for the next application batch to \$39,530,686.98.

In accordance with Minnesota Statutes 216C.375, the following allocation reservations, as provided in Table 2: Entities Receiving SCF Matching Fund Reservations Under Round 5, Batch 1, have been reserved as of April 21, 2026.

Table 2: Entities Receiving SCF Matching Fund Reservations under Round 5 Awards – Batch 1

	Awardee	SCF Matching Funds Program Reserved Funds	Project Purpose
1	Minnesota Department of Transportation	\$258,900.00	<p>EV Infrastructure Community Program Match Application: In 2024, MnDOT was awarded \$6.4 million in federal funds to support the installation of 42 (36 - level 2 and 6 - level 3) electric vehicle (EV) charging stations. Phase 1 supports pre-construction planning and development activities within each of the 42 sites. Phase 2 focuses on the construction, installation, and operation of EV charging units at locations that have successfully completed Phase 1. The federal funds obtained under IIJA by MnDOT, are considered “pass through funding.” Accordingly, the required matching funds cannot be provided by MnDOT as the federally designated grantee. MnDOT’s new program addresses the interconnectedness of travel corridors in less dense, but still vital, locations within Greater Minnesota. This statewide perspective will be inclusive of existing public charging sites, while focusing on the electrification of “shared mobility” charging projects in rural, tribal, and historically underserved communities to address existing disparities. Priority will be given to projects that include electrification of existing or planned new shared mobility services, such as car share, van pools, microtransit, or mobility projects that use EVs within their fleet.</p>
2	UMVRDC OBO City of Granite Falls	\$979,963.00	<p>Granite Falls Electrical Transformers/Switchgear: The proposed project consists of the replacement of two aging 5/7 MVA, 69-4, 16 kV substation power transformers with two 10/14 MVA, 69-4, 16 kV substation power transformers. One transformer is located at the East Hydroelectric substation and the other at the Bush Park substation. The transformers have been in service for 45 and 54 years, which is well beyond their expected useful life of 30-40 years. The project also includes the demolition and removal/salvage of the existing transformers and the construction of the transformers’ foundations, and associated trenching, manholes, cabling and connection to the current grid system. The project also includes replacement of the nearly 50-year-old, metal-clad</p>

			distribution switchgear alignment connected downstream of the Bush Park substation transformer, demolition and removal of the existing switchgear equipment, a new housing pad, controls and communication, and conduit and cable.
3	Great River Energy OBO Wright-Hennepin Electric	\$999,999.00	Great River Energy OBO Wright-Hennepin Electric: Wright-Hennepin Cooperative Electric Association is proposing a 10MW, 40MWhr energy storage project with the USDA New ERA consortium application. The proposed location is in Maple Grove, MN. It will be a power purchase agreement. The battery storage project will serve as a capacity resource and be used to manage high energy market costs for benefit for all Wright-Hennepin Cooperative Electric Association member-consumers.
4	KISS LLC	\$200,000.00	KISS LLC MN Comp Match Funds 5+ USDA RD Value Added Producer Grant: This Matching Funds grant will be paired with the USDA Rural Development Value Added Producer Grant for a working capital project tied to MN Climate Action Framework (CAF) Initiative 2.5: Investments in emerging crops, products, and local economies and also Energy Conservation and Optimization. KISS LLC has developed a proprietary process for making and packaging its award-winning wine and hard cider lines over the past decade that uses significantly less refrigeration and other environmentally sustainable practices that lower electricity consumption, cut transportation costs, water consumption, chemical inputs and CO2 emissions. KISS LLC, a rural MN family farm and agriculture producer, will use these funds to expand hard apple cider production. This project and the resulting expansion will create the demand for more cider apple trees, a perennial crop that does not usually require fertilizer.
5	Dakota Electric Association	\$660,000.00	PIIC Overhead to Underground Conversion: Dakota Electric proposes to replace aging electric line for homeowners at Prairie Island Indian Community (PIIC) for the 40101(d) program. Built in the 1960s, the overhead residential electric distribution system is prone to increased outages due to unforeseen natural hazard events. The proposed system would be a modern, underground looped system, consistent with the co-op's current

			reliability and safety standards. Dakota Electric’s proposal improves energy reliability and resiliency for PIIC by reducing outages from storms and eliminating the need to trim trees. Reliability and resilience will be measured through outage reports and data from the Outage Management System (OMS), and increased capacity reports documenting the capacity available to the homes. Current infrastructure allows for approximately 3kVA per home, whereas the new system has potential for between 5kVA-and-6.5kVA per home.
6	Madelia Municipal Light & Power	\$119,240.00	Strengthening Madelia's Grid: Madelia Municipal Light and Power are seeking funding to support their conditional subaward for the 40101(d) program. This subaward provides funding to address critical vulnerabilities within the City's electrical distribution system by burying lines and creating a loop-fed system.
	Total Reserved	\$3,218,102.00	

Table 3: Geographic Dispersion of SCF Matching Funds Reservation Awardees

SCF Awards Rounds 1-5 (Zip Code and Number of Awards)

