

# Geothermal planning grants

## Heating Minnesota buildings efficiently and cost-effectively.

In 2024, the Minnesota Legislature established an exciting new grant program and appropriated \$1.2 million dedicated to geothermal planning grants. These grants directly help support local communities and counties in the pre-design phase of geothermal development with grants of up to \$150,000 to determine if geothermal is a good fit and if it is a feasible option given the geology of the site.

**House File 2162**  
Mahamoud (62B)

**Senate File 2454**  
McEwen (08)

**Feedback and interest from communities has been overwhelmingly positive about this grant program. The Minnesota Legislature can help meet demand by allocating more funds to this important, innovative grant program this legislative session.**

### Why geothermal planning grants make a difference to communities

Buildings are a top source of carbon pollution — both globally and in Minnesota — contributing 31 percent of U.S. greenhouse gas emissions. Emissions from our buildings sector are a growing problem that requires immediate action, as well as a broad range of strategies at the local, state, and regional levels. **One of the ways we can cut carbon emissions from our buildings is through geothermal systems.**

By reducing carbon emissions from our buildings, Minnesota can:



Improve health outcomes for all Minnesotans and our most vulnerable communities.



Create new economic development opportunities and jobs in communities.



Reduce costs for Minnesotans over the long term by ensuring buildings are future-ready.

### Learn more and support geothermal planning grants!

Join us or learn more by contacting **Brynn Kirsling, Director, Legislative and Grassroots Advocacy, Fresh Energy** at [kirsling@fresh-energy.org](mailto:kirsling@fresh-energy.org)/218 590 3457.

March 18, 2025

Dear Co-Chair Acomb, Co-Chair Swedzinski, and Members of the House Energy Committee,

The undersigned represent a broad coalition of organizations committed to ensuring safe, healthy, and energy-efficient learning environments for Minnesota's students. We urge you to support and pass **HF1598 (Hollins): Air Ventilation Improvement and Geothermal in Schools Funding Bill**.

A national survey by the Government Accountability Office (GAO) found that **41% of school districts need to update or replace HVAC systems in at least half of their schools**—impacting approximately **36,000 schools nationwide** ([GAO Report](#)). Minnesota is no exception. Many schools across the state struggle with outdated ventilation and heating systems, leading to poor indoor air quality and rising energy costs.

**Investing in modern air ventilation and geothermal heating and cooling systems will:**

- ✓ Improve indoor air quality (IAQ) and create healthier learning environments.
- ✓ Reduce energy costs for school districts over time.
- ✓ Support sustainability efforts and reduce greenhouse gas emissions.
- ✓ Alleviate financial pressure on local taxpayers.

However, the upfront cost of these critical upgrades remains a significant barrier for many school districts. This is where the Minnesota Climate Innovation Finance Authority (MnCIFA) can play a vital role. MnCIFA has the ability to coordinate and leverage private and public financing, grants, tax incentives, and other credit instruments to help schools **access low- interest loans** for these essential improvements.

We urge you to support this bill and invest in the future of our students and communities.

Thank you for your time and consideration.

**DARCY**



**100%**



**Flow**  
Environmental Systems Inc

**cee**  
Center for Energy and Environment



March 17, 2025

Chairs Acomb and Swedzinski and members of the House Energy Finance and Policy Committee:

On behalf of the 14,000 members of the Laborers' International Union of North America (LIUNA) Minnesota and North Dakota, I am writing to express our support for HF 1656 and HF 2162. Both bills will help to advance deployment of geothermal energy projects that have the potential to reduce carbon emissions and costs for taxpayers.

LIUNA members have powered Minnesota for generations by building and maintaining the state's traditional energy infrastructure—from power plants to pipelines and distribution lines. Our members take pride in this work, and know that energy jobs can be good, family-sustaining jobs that provide long-term careers for skilled construction workers.

As the energy landscape evolves, LIUNA members are ready and eager to assist in building the next generation of clean energy infrastructure, including geothermal systems. HF 1656 and HF 2162 are opportunities to expand these career pathways while ensuring that Minnesotans benefit from cutting-edge, sustainable energy solutions.

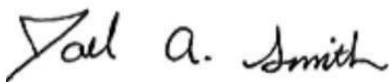
Geothermal energy systems are energy efficient and cost effective. In 2022, the Steamfitters Pipefitters Local 455 installed a pioneering geothermal system at their Apprenticeship Training Center in St. Paul, achieving an 85% reduction in cooling costs. Their geothermal system is a model of what is possible.

Along with the economic development opportunities, we see the focus on school infrastructure upgrades in HF 1656 as a vital investment. Improved heating and cooling and ventilation upgrades will improve outcomes for Minnesota students. Our state's public schools are long overdue for infrastructure upgrades that improve indoor air quality, increase energy efficiency, and create healthier learning environments. These new systems will reduce airborne illnesses, leading to better student performance and fewer sick days for students and staff.

HF 1656 and HF 2162 are smart investments in innovation and can help make Minnesota a leader in sustainable energy. LIUNA members are ready to get to work on new geothermal energy systems.

We urge Committee members to support this legislation.

Respectfully,



Joel Smith  
President and Business Manager



# MINNESOTA PIPE TRADES ASSOCIATION

Affiliate of the United Association  
Composed of Journeyman and Apprentices of the Plumbing and Pipe Fitting Industry  
Of the United States and Canada  
State Federation of Labor – A.F.L.-C.I.O.

Andrew Campeau, President  
353 W 7<sup>th</sup> Street – Room 106  
St. Paul MN 55102  
(651) 291-5001

Jason Quiggin, Secy.-Treas.  
353 W 7<sup>th</sup> Street – Room 106  
St. Paul MN 55102  
(651) 291-5001

H.F. 1598  
3/17/2025

Chairs and Members of the Energy Finance and Policy Committee,

As the President of the Minnesota Pipe Trades Association representing over 9,000 skilled trades folks in the Plumbing, Pipe Fitting, Sprinklerfitting and HVACR Service industries. I am drafting this letter today offering our full support for H.F. 1598. We have in the past and continue to support the use of geothermal systems as a highly efficient source of heating and cooling. Our members are highly trained in the installation and maintenance of all forms of geothermal. We have taken an active role in the development of this technology for decades and are happy to see it being utilized more frequently. We are happy to support H.F. 1598 and our members stand ready to perform the work this legislation would help create. Thank you for your time and consideration in this matter.

Andrew R. Campeau  
President  
Minnesota Pipe Trades Association

Duluth-Detroit Lakes  
Plumbers and Pipefitters  
Local #11

Minneapolis-St. Cloud  
Plumbers  
Local #15

Minneapolis-St. Cloud  
Pipefitters  
Local #539

Minneapolis-St. Paul  
Sprinkler Fitters  
Local #417

Minneapolis  
Gas Workers  
Local #340

Moorhead  
Plumbers and Pipefitters  
Local #300

Rochester  
Plumbers and Pipefitters  
Local #6

St. Paul – Mankato  
Plumbers  
Local #34

St. Paul – Mankato  
Pipefitters  
Local #455

Virginia  
Plumbers and Pipefitters  
Local #589

Road Sprinkler Fitters  
Central Region  
Local #669



**OFFICE OF MAYOR MELVIN CARTER**  
**CITY OF SAINT PAUL**

390 City Hall  
15 Kellogg Boulevard West  
Saint Paul, Minnesota 55102

March 17, 2025

TO: Chair Acomb, Chair Swedzinski, and Members of the House Energy Finance and Policy Committee:  
RE: Local Government Support for House File 2162 (Mahamoud): Appropriating money for geothermal planning grants.

Dear Chair Acomb, Chair Swedzinski, and Members of the House Energy Finance and Policy Committee:

I am writing in strong support of House File 2162 (Mahamoud), which would increase appropriations for the local government geothermal planning grant program. This bill represents an opportunity to enable local governments to pursue geothermal energy projects that can provide multiple public benefits, including increased energy efficiency, cleaner indoor air quality, and reduced energy costs over time.

The City of Saint Paul is eager to explore and implement geothermal energy projects in our community, but the high upfront costs associated with planning and project development remain a significant barrier. Increasing appropriations for this grant program will provide critical funding to help local governments overcome some of these financial challenges and move forward with projects.

Importantly, this bill supports an existing program that has already demonstrated strong interest — more than \$2.5 million was requested for the current \$1.2 million program. The program is limited in its ability to more broadly and effectively support local governments with current funding levels. Expanding and continuing this program will allow more communities in Minnesota to access technical assistance and financial support, while ensuring the benefits of this technology are shared across the state. This type of investment strengthens local resilience while supporting local energy goals.

Finally, the current program does not list Tribal Governments as eligible recipients. We encourage the committee to consider including the eleven federally recognized tribes in this bill.

We urge you to support HF 2162 to ensure more local and tribal governments have the resources needed to pursue geothermal energy projects. Thank you for your leadership and commitment to supporting the advancement of sustainable energy solutions in our communities.

Sincerely,

Mayor Melvin Carter  
City of Saint Paul, Minnesota

March 18, 2025

Representative Patty Acomb  
Chair of the Committee on Energy Finance and Policy

Re: HF 2162— Mahamoud: Geothermal planning grants funding provided and money appropriated.

Dear Chair Acomb and Committee Members,

The City of Minneapolis appreciates the opportunity to comment in support of HF 2162.

As we navigate the pressing challenges of climate change and the urgent need for sustainable energy solutions, geothermal energy presents a promising and underutilized resource. HF 2162 will provide a one-time appropriation of funds from the renewable development account to the Minnesota Department of Commerce for geothermal planning grants. The financial support will assist municipalities in examining the technical and economic feasibility of installing geothermal energy systems.

This investment will empower municipalities to explore and develop geothermal projects, which can significantly reduce our reliance on the fossil fuels and lower greenhouse gas emissions. In addition, the benefits of geothermal energy extend beyond environmental impact; they also contribute to energy stability and resilience. By supporting this legislation, we are taking a crucial step toward diversifying our energy portfolio and investing in a sustainable future.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Patrick Hanlon', with a stylized flourish at the end.

Patrick Hanlon  
Deputy Commissioner: Sustainability, Healthy Homes and Environment  
City of Minneapolis Health Department

I am writing to voice my strong support for the 3 Geothermal bills on the agenda for the meeting of the Energy Finance and Policy Committee on Tuesday 3/18; HF1598, HF1656, and HF2162.

Geothermal (specifically geothermal utilizing a ground source heat pump) is an excellent technology for the efficient heating and cooling of buildings in MN. It achieves an effective energy efficiency of 300-600% relative to other heating and cooling methods. This results in large cost savings (typically 30-70% for heating and 20-50% for cooling), and commensurate reductions in greenhouse gas emissions. The only real down side is the higher installation costs relative to conventional heating and cooling systems. Still, due to the ongoing cost savings, the payback time is typically less than 5 years.

These bills make good environmental sense; but even more, they make great economic sense. I strongly encourage the committee to approve all three of these bills.

Robert Kean  
3136 James Ave. S.  
Minneapolis MN 55408



March 18, 2025

Minnesota House of Representatives  
Committee on Energy Finance and Policy  
Capitol 123  
Saint Paul, MN 55155

RE: House File 2162 - Geothermal Planning Grants Program

Dear Chair Acomb, Chair Swedzinski, and committee members,

On behalf of Clean Energy Economy MN (CEEM), we write today in support of House File 2162, a bill that would provide additional funding to the existing geothermal planning grants program. Since its establishment in 2024, this grant program has become a valuable tool for local governments looking for various ways to achieve their carbon-free goals.

CEEM is an industry-led, nonpartisan, non-profit organization representing the business voice of energy efficiency and clean energy in Minnesota. We are focused on educating Minnesotans about the economic benefits of transitioning to a clean energy economy. Our business membership is comprised of over 70 clean energy companies ranging from start-up businesses to Fortune 100 and 500 corporations that employ tens of thousands of Minnesotans across the state. CEEM stands committed to delivering a 100% clean energy future where all Minnesota businesses and citizens will thrive.

The Minnesota Department of Commerce's geothermal energy system planning grant provides up to \$150,000 to eligible applicants seeking to assess the feasibility of a geothermal energy system. This technology offers the potential for substantial energy cost savings while reducing dependence on fossil fuels. Additional funding for this grant program will empower local governments and now tribal nations to continue conducting feasibility studies, ensuring geothermal projects integrate seamlessly with existing infrastructure. As Minnesota progresses toward its goal of 80 percent economy-wide decarbonization by 2050, encouraging the widespread adoption of geothermal technologies is a strategy our organization strongly supports.

We thank Representative Mahamoud for authoring HF2162 and Chairs Acomb and Swedzinski for hearing it in committee today. If you have any questions, please let us know. Thank you.

Sincerely,



George Damian  
Director of Government Affairs  
[gdamian@cleanenergyeconomymn.org](mailto:gdamian@cleanenergyeconomymn.org)



Chandra Her  
Senior Policy Associate  
[cher@cleanenergyeconomymn.org](mailto:cher@cleanenergyeconomymn.org)





March 18, 2025

**Co-Chairs Patty Acomb and Chris Swedzinski**  
**Energy Finance and Policy Committee**

Dear Co-Chair Acomb, Co-Chair Swedzinski, and Committee Members,

The Building Decarbonization Coalition ("BDC") respectfully submits this letter of support for HF2162, a bill to appropriate additional funding to the geothermal planning grant program for local governments to do the groundwork necessary to bring clean energy to their communities from right beneath their feet.

Previous funding into this program and broad interest from local governments and their constituents across Minnesota demonstrate that Minnesotans want to see increased deployment of geothermal and thermal energy network systems in their jurisdictions. In addition to granting communities [reliable, clean, and local energy](#), these systems generate local jobs in their design and maintenance and reduce strain on the electric grid compared to other forms of electrification. These planning grants afford communities the opportunity to develop the social and technical blueprints for system development necessary to seek funding from within or better position themselves to seek competitive funding from external state, utility, or federal sources.

The appropriation of Renewable Development Account ("RDA") funding in this bill into the account and its direction to Xcel's territory provide a ripe opportunity to ready local government's plans for system development ahead of Xcel's next Innovation Plan as part of their ongoing Natural Gas Innovation Act ("NGIA") cycles. These plans are crucial mechanisms to pilot innovative solutions like this and having local governments lead the planning ahead of time would only accelerate this process going forward.

Sincerely,

**Noah Cordoba**  
**Minnesota State Manager**  
noah@buildingdecarb.org

**Rewiring America Testimony**  
**House Energy Finance and Policy Committee**  
**March 18, 2025**

Dear Chairs Acomb and Swedzinski and Committee Members,

I am writing today on behalf of Rewiring America in support of HF 2162.

Rewiring America develops accessible data and tools and builds coalitions and partnerships to make going electric easier for households and communities. Rewiring America helps Americans save money, tackle nationwide emissions goals, improve health, and build the next generation of the clean energy workforce.

Geothermal heat pump systems are among the world's most efficient heating and cooling technologies. They reduce energy costs to consumers and cut greenhouse gas emissions. They drive economic growth, require skilled and well-paid labor to install, and stabilize our nation's electrical grid by reducing peak load. As we modernize the way we move and use energy, it is imperative to support technologies that have the potential to make the way we use energy more efficient, more affordable, and cleaner.

The continuation of planning grants like the ones funded by this legislation's appropriation encourage evidence-based decision-making. They also assist communities and organizations in conducting research, feasibility studies, and stakeholder engagement before investing in and implementing energy related projects.

I ask you to support HF2162, the geothermal planning grants program. This funding fills a demonstrated need to support community-led infrastructure investment.

Thank you for your time,

**Jenna Warmuth**

Sr. Manager, Midwest Regional Policy  
218.969.5976 | [rewiringamerica.org](https://rewiringamerica.org)



March 17, 2025

Minnesota House of Representatives  
Energy, Finance, and Policy Committee  
Capitol 123  
Saint Paul, MN 55155

Dear Chairs Acomb and Swedzinski and Committee Members,

Center for Energy and Environment (“CEE”) respectfully submits this letter to express our full support for HF 2162, a bill providing additional funding for the geothermal planning grants to support communities with their sustainability and building decarbonization goals.

House File 2162 addresses critical needs in our energy policy and infrastructure, particularly in enhancing efforts to reduce greenhouse gas emissions, improving energy efficiency in buildings, and expanding access to clean energy resources. At CEE, we recognize that these funds will open additional opportunities to communities who lack the necessary resources to install geothermal systems. By supporting this legislation, we can ensure that the clean energy economy works for everyone by providing path to building decarbonization and economic opportunities.

We urge you to support and prioritize the passage of House File 2162. This legislation will help create a sustainable energy future, promote economic growth, and ensure that all Minnesotans can enjoy the benefits of a cleaner, more efficient energy system.

Thank you for your leadership and commitment to advancing energy policy that works for Minnesota’s future. Should you need any additional information or wish to discuss the contents of this bill further, we are happy to provide additional support.

Sincerely,

/s/ Aly Eilers  
Manager of Legislative Affairs  
Center for Energy and Environment

March 18, 2025

**RE: Local Government Support for House File 2162: Appropriating money for geothermal planning grants.**

Honorable Members of the Energy Finance and Policy Committee:

The undersigned local officials support House File 2162, which would increase appropriations for the local government geothermal planning grant program. This bill represents an opportunity to enable local governments to pursue geothermal energy projects that can provide multiple public benefits, including increased energy efficiency, cleaner indoor air quality, and reduced energy costs over time.

Local governments are eager to explore and implement geothermal energy projects in our communities, but the high upfront costs associated with planning and project development remain a significant barrier. Increasing appropriations for this grant program will provide critical funding to help local governments overcome some of these financial challenges and move forward with projects.

Importantly, this bill supports an existing program that has already demonstrated strong interest — more than \$2.5 million was requested for the current \$1.2 million program. The program is limited in its ability to more broadly and effectively support local governments with current funding levels. Expanding and continuing this program will allow more communities in Minnesota to access technical assistance and financial support, while ensuring the benefits of this technology are shared across the state. This type of investment strengthens local resilience while supporting local energy goals.

Finally, the current program does not list Tribal Governments as eligible recipients. We encourage the committee to consider including the eleven federally recognized tribes in this bill.

We urge you to support HF 2162 to ensure more local and tribal governments have the resources needed to pursue geothermal energy projects. Thank you for your leadership and commitment to supporting the advancement of sustainable energy solutions in our communities.

Sincerely,

Name & Title	Signature
<b>Rachel Lindholm</b> Sustainability Coordinator, City of Richfield	<i>Rachel Lindholm</i>
<b>Emily Ziring</b> Sustainability Manager, City of St. Louis Park	<i>Emily Ziring</i>

<b>Jen Fierce</b> Sustainability Coordinator, City of Eden Prairie	<i>Jen Fierce</i>
<b>Marisa Bayer</b> Sustainability Manager, City of Edina	<i>Marisa Bayer</i>
<b>Carolyn Jackson</b> , Edina City Council Member and Chair, Cities Climate Coalition	<i>Carolyn Jackson</i>
<b>Brian Hunke</b> , Hopkins City Council Member	<i>Brian Hunke</i>
<b>April Graves</b> , Mayor City of Brooklyn Center	<i>April Graves</i>
<b>Mikala Larson</b> Sustainability Specialist, City of Hopkins	<i>Mikala Larson</i>
<b>Kayla Kirtz</b> Sustainability Coordinator, City of Robbinsdale	<i>Kayla Kirtz</i>



[www.buildingthefutureminnesota.org](http://www.buildingthefutureminnesota.org)

March 17, 2025

Co-Chair Acomb, Co-Chair Swedzinski, and Members of the Committee,

We are writing to express our strong support for **House File 1598** (Hollins), **House File 1656** (Hollins), and **House File 2162** (Mahamoud), three bills that will advance Minnesota's progress on geothermal energy technologies.

Minnesota is a national leader in networked heating and cooling systems. From our early adoption of district energy systems in downtown neighborhoods to our innovative uses of combined heat and power systems in industrial settings, Minnesotans have been operating and improving these systems for decades, making them more efficient, affordable, and accessible.

A 2019 report, *Mapping Thermal Grid Integration Opportunities in Minnesota*, commissioned by the Minnesota Department of Commerce and prepared by Barr Engineering Co. in partnership with Ever-Green Energy, explored one potential technological pathway, waste heat recovery. In it, they identified over **400 opportunity clusters** where waste heat from existing thermal sources could be captured to meet local needs. There is a real opportunity here because "each year, most combustion facilities burning fuel for heat or power lose between 20–70% of their fuel inputs to waste heat (the heat rejected to the surrounding environment from a building or process and not used)."

There is similar potential in other technological pathways, like ground-source heat pumps and thermal energy networks. To identify which solution is best in a particular place, we need the kinds of solutions these three bills offer:

- House File 1598 would build on Minnesota's existing work to **improve energy use in public schools** by providing additional support for the financing of geothermal and heating, ventilation, and air conditioning, or HVAC, improvements.
- House File 2162 would reinvest in a popular program, Geothermal Planning Grants at the Department of Commerce, that **helps communities evaluate if these systems would be a good fit** for their homes and businesses.
- House File 1656 would help finance a geothermal system at a public facility that is opting in, the **Como Park Zoo and Conservatory** in Saint Paul, MN.

Please support these three bills.

Thank you for your time and consideration,

*Aurora Vautrin*

**Aurora Vautrin**

Legislative Director

[www.100percentmn.org](http://www.100percentmn.org)



*Lars Negstad*

**Lars Negstad**

Policy Director

[www.isaiahmn.org](http://www.isaiahmn.org)



*Sara Lopez*

**Sara Lopez**

Policy Director

[www.unidos-mn.org](http://www.unidos-mn.org)

