



Green Cost Share

Large greenhouse gas reduction and geothermal program rules

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About the program

The Green Cost Share program (“the Program”) is housed in the Sustainability, Healthy Homes and Environment division of the Minneapolis Health Department (“MHD”). The Program promotes public health by reducing air pollution from buildings and business processes by:

- Reducing energy use through efficiency
- Installing renewable energy
- Limiting the release of harmful air pollutants

The Program prioritizes funding projects in historically underserved communities and communities that are most impacted by the effects of climate change and air pollution, such as:

- [The City’s Green Zones](#)
- Income-qualified housing
- Low-income serving nonprofits

The rules outlined in this document govern all funding opportunities for large greenhouse gas reduction and geothermal proposals (“the Proposal”).

Eligibility

Eligible applicants

MHD seeks proposals from commercial, industrial, and other similar large buildings or large energy users in the city of Minneapolis, Minnesota. The application must have the support of the business or property owner. Applications submitted without this support are subject to automatic rejection.

This opportunity is open to:

- For profits
- Nonprofits
- Minneapolis Public Housing Authority
- Minneapolis Public Schools
- Public utilities
- Other public entities

An application can include multiple agencies (“applicant(s)”) working together. If the proposal includes multiple applicants, the applicants must identify a lead applicant for City contracting.

Eligible projects

To qualify, the proposal must:

- Reduce a building's scope 1 and/or 2 greenhouse gas (GHG) emissions.
- Meet the minimum estimated annual carbon dioxide equivalent (CO₂e) reduction.
 - Geothermal projects: At least **15 metric tons**
 - All other projects: At least **100 metric tons**
- Be feasible to complete during the calendar year after funding is awarded.

Scope 1 and 2 are defined as the following:

- **Scope 1** emissions are direct GHG emissions that occur on-site from sources that are controlled or owned by the applicant. (e.g., fuel combustion from a furnace or boiler).
- **Scope 2** emissions are indirect GHG emissions from the purchase of electricity, steam, heating or cooling. (e.g., rooftop solar reduces total electricity purchased from the grid).

Acceptable CO₂e calculation methods

Each application must include energy savings and/or CO₂e emissions reduction estimates that:

- Are verified by a third-party, or
- Use a reputable publicly available calculation method

Verification and calculation options include, but are not limited to:

- Energy audit or technical assessment with energy savings included
- Utility pre-approval letter for custom rebates
- Minnesota Pollution Control Agency calculators
- Minnesota Technical Reference Manual
- Calculation from a professional engineer listing assumptions and inputs

Example projects

Example large greenhouse gas emissions reduction projects include, but are not limited to:

Energy efficiency	• High efficiency heating, ventilation or air conditioning upgrades • Building controls or automation systems • Large lighting retrofits to LEDs
Renewable energy	• On-site solar energy • Energy storage • Geothermal or aquifer thermal energy
Electrification	• Electrification or dual fuel gas-electric heating or cooling • Air source heat pumps • Diesel and fuel oil equipment replacement
Other new or innovative technologies	• Networked geothermal or aquifer thermal energy systems • Changing refrigerants to ones with lower global warming potential

Appendix A at the end of this document includes examples of past awardees.

Ineligible projects

- Equipment servicing, tune up, repair
- Purchasing carbon credits or offsets
- Projects without an attributable GHG emissions reduction

Application submission

- MHD plans to make applications available at least once every calendar year.
- [Applications must be submitted online through the program's application portal.](#)
- Applicants must attach all required attachments as one PDF to the application. Failure to attach all required attachments may result in automatic rejection.

Required attachments:

- Itemized project quotes or bids
- Estimated energy use and/or GHG reduction estimates
- 12 months of historic or modeled energy use data for all applicable utilities (gas, electric, steam, chilled water). MHD's preference is for this data to be shared as an Excel spreadsheet. Please indicate if this information is trade secret.
- Financial due diligence documents:

For profits	• Single audit with SEFA & financial findings, financial statement audit, or current financial statements. • Certificate of good standing from the MN Secretary of State
Nonprofits	• Single audit with SEFA & financial findings, financial statement audit or current financial statements. • Copy of filled out IRS form 990

Proposal evaluation

MHD will review proposals with an evaluation panel of MHD staff and other technical assistance partners. The panel may select a "short list" of proposals for a follow-up meeting to discuss outstanding questions and confirm accuracy of proposal documents.

A follow-up meeting with "short list" proposals may consist of the following elements:

1. Discussion of the approach to calculating energy savings and/or emissions reductions.
2. Answers to any additional follow up questions from the evaluation panelists.

Timeline

Below is a general timeline from application to contract start date. Please refer to the City's website for the most up to date information. The actual timeline may vary.

- Week 1-6: Application submission period
- Week 6-8: Proposal evaluation
- Week 8-9: Pre-award meeting with short-list proposals
- Week 9-10: City funding decisions
- Week 10-14: Contract approval and development
- Week 14: Contract executed. Work can start.

Selection criteria

MHD will use the following criteria as the basis for its evaluation.

- Project results:
 - What is the estimated annual GHG emissions reduction?
 - Are the GHG emissions reductions estimates reasonable and accurate?
 - How does the project's GHG emissions reductions compare to other proposals?
- Service life and payback period:
 - What is the project payback period?
 - How many years will the proposed equipment be in service?
- Project timeline & feasibility
 - How long will it take to complete the project?
 - Is the project technically feasible?
- Priority communities:
 - Is the project located in one of the following areas?
 - [Minneapolis Green Zone](#)
 - Low-income or affordable housing
- Proposal completeness:
 - Did the applicant submit all required attachments and answer all questions?
- Other considerations:
 - Can the applicant comply with City contracting policies (e.g., debarment)?
 - Is there a known conflict of interest?
 - Are there additional environmental benefits (e.g., air pollution reduction)?
 - What percentage of the building's overall GHG emissions is reduced?
 - Does the project pay contractors the prevailing wage?
 - Is the project implementing a new or innovative technological solution?

Rejection of proposals

MHD does not promise to accept the lowest cost proposal and reserves the right to:

- Reject any or all proposals
- Waive any proposal requirements
- Investigate the qualifications and experience of any applicant
- Reject any provisions in any proposal
- Obtain new proposals
- Negotiate the award amount and contract terms with any applicant

Awards

MHD intends to award between 2 and 5 proposals across all large project funding opportunities. The number of awards depends on the program budget and number of proposals submitted.

Award amounts

- Awards are based on the GHG reductions and other selection criteria listed above.
- Awards will range from \$175,000.01 to \$500,000 per awardee.
- Awards must not exceed 50% of the total project cost.
- The combination of City, State, Federal, Utility, and other similar funding contributing to a project cannot exceed 100% of total proposal cost. MHD will reduce its award to not exceed the total proposal cost.
- Only one award per property per calendar year.

Contract and invoicing

All applicants awarded funding are required to sign a contract with the City of Minneapolis before MHD can make any payments. The selected proposal, along with these program rules and any proposal updates after application will be incorporated into this agreement. It is the intent of the City to award multiple contracts for an initial term of one (1) year with an option to extend the contract on an annual basis, at the sole option of the City, for up to two (2) additional years.

When you're awarded funding

Accepting the award

- MHD will send a "notice of intent to fund" letter through email. This letter will outline the immediate next steps and any conditions placed on the award.
- Applicants must acknowledge receipt of the letter.
- Applicants must complete the next steps and resolve any conditions placed on the award. Next steps typically include:
 - Registering in the City's [eSupplier system](#).
 - Providing a valid insurance certificate.
 - Passing a State and Federal debarment check.
 - Submitting an Affirmative Action Plan to the City.
 - Resolving any conditions placed on the acceptance.
- Applicants who fail to complete all next steps within 60 days risk losing award.

Contracting with the City

- MHD must receive permission to enter into a contract from City Council.
- Applicants must provide a valid certificate of insurance showing proof of general liability and worker's compensation (if applicable) coverage. If there is no proof of insurance, the vendor must sign an alternative form assuming liability.
- All contracts will be sent to an authorized signer through DocuSign.

Proposal changes and amendments

- Significant changes from the original scope of work may result in reduction or cancellation of the award.
- The City may approve changes and amend a contract to add additional funds or extend the award if a project is delayed, cost increases, or scope of work changes.
- The applicant is responsible for sending updated documents if the scope of work changes.

Reassigning incentives

- The applicant can reassign their incentive to another party (“the assignee”).
- The applicant must notify MHD in writing to reassign incentives.
- The assignee’s proof of work documents must reflect how the City incentives provide an upfront discount to the original applicant.

After you complete your project

Preference is for projects that can be substantially complete by December 31 of the year following their application submission.

Proof of work documents

The City will, at a minimum, collect the following proof of work documents from the awardee:

- Before and after photos for each major component of the project
- Paid and itemized project invoices
- Proof project invoices were paid. For example,
 - Sworn construction statements
 - Lien waivers
 - Bank Statements
 - Receipts
- Any required City and/or State permit

The applicant is responsible for making sure proposed work is completed satisfactorily before paying for their trade’s contractor.

The City reserves the right to require additional proof of work documents or onsite visits related to the project when necessary to validate or ensure the quality of the work.

Invoicing

- The applicant is responsible for arranging all upfront project financing. MHD will reimburse the awardee upon completion of the project and submission of required proof of work documents.
- The City will provide an invoice template for the applicant with all required information. The applicant may choose to use their own invoice when submitting it for reimbursement if it includes the City contract and purchase order numbers.
- The applicant can invoice separately for each major component of a larger project.

Eligible expenses

- This funding can only be used to compensate for the materials and labor for the improvements listed in the approved proposal.

Ineligible expenses

- Lobbying and other political activities
- Existing debt payment or refinancing
- Advertising or marketing
- Gift cards, donations, food purchases, etc.
- Other items that do not have a public purpose aligned with the funding opportunity

Return of funds

The selected awardee must maintain the improvements for a period specified in the contract, but not less than five (5) years. MHD has the right to demand the return of funds paid in support of the project if the awardee:

- Removes, replaces, or modifies the project in a way that significantly reduces the greenhouse gas reduction benefits of the project.
- Sells or transfers the property where the project is located without notifying the City and arranging for the transfer of project management.

The City will not request the return of funds paid if the removal, replacement, or modification of the project was the result of a "force majeure event". A "force majeure event" shall include, and be limited to:

- Acts of war, terrorism, or civil disturbance
- Fire, flood, loss of utility services (such as water, electricity, or fuel)
- Similar casualty that either temporarily or permanently impair maintenance of the project

Data practices

Data you provide in your proposal will be subject to the Minnesota Government Data Practices Act and may be available to the public. Minn. Stat. 13.591 classifies Business Data. If you are submitting specific data which you believe meets the definition of trade secret data as defined in Minn. Stat. 13.37, please indicate this on the documents containing the data. The City may ask you to establish that the data meets all the conditions set forth in Minn. Stat. 13.37, subdivision 1(b).

Appendix A: Past awardee examples

Rebates, total cost and energy savings are rounded.

1. Community center and nonprofit (2025)

Work completed	- Solar and battery storage. - Geothermal heating and cooling to replace large boilers.
Total cost	\$20,500,000
Utility rebate	\$718,000
Minneapolis Green Cost Share award	\$500,000
Energy savings	179,000 kilowatt hours annually 106,000 therms annually

2. Industrial metal products manufacturer (2025)

Work completed	- Installed variable speed air compressors with heat recovery - Upgraded building management system to control heaters and rooftop units - Upgraded a transformer to enable greater modulation of manufacturing equipment
Total cost	\$475,000
Utility rebate	\$95,000
Minneapolis Green Cost Share award	\$360,000
Energy savings	1,084,000 kilowatt hours annually 45,000 therms annually

3. Downtown high-rise office building (2025)

Work completed	Replaced large, non-modular air handling unit fans with many small modular fans.
Total cost	\$1,500,000
Utility rebate	\$105,000
Minneapolis Green Cost Share award	\$300,000
Energy savings	955,000 kilowatt hours annually