

Minnesota Attorney General: Administrative Rules Proceedings

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Version 3
August 20, 2018

RULE REVIEW CHECKLIST

File No. 1335 Docket No. 05.0009.0418

DATE RECEIVED 12-16-86
REVIEW DATE 12-26-86
DUE DATE 12-30-86

APPROVED 12.26.86 mjc
DISAPPROVED
WITHDRAWN

ADOPTED W/O HEARING X
EMERGENCY RULE

REVISOR APPROVED 12-17-86
REVISOR DISAPPROVED
FILED W/SEC. STATE
RETURNED TO AGENCY

X Rule as adopted (4 copies)

X Notice to Solicit Outside Information/Opinion
8-25-86 Date published in State Register
yes Comments

~~Petition for Adoption of a Rule~~

~~Board's Authorizing Resolution~~

X Proposed rule
yes Revisor's Certificate

X Notice of Intent to Adopt Rule
116J.035 (2) 116J.381 (4) Statutory Authority
no Small business statement
no Expenditure of public money statement
yes Signature

X Statement of Need and Reasonableness

X Affidavit of Mailing Notice of Intent to Adopt Rule
11-6-86 Date (30)/25 days before adoption

X Publication in State Register
11-10-86 Date (30)/25 days before adoption

~~Resolution Adopting~~

X Findings of Fact, Conclusions & Order Adopting
12-11-86 Date

~~Written requests, submissions or comments~~

X Declaration of attorney
Elizabeth Cutter Name of SAAG representing agency

~~Notice of Submission to Attorney General~~

~~Affidavit of Mailing Notice to Attorney General~~

✓ anouncement of Public Hearings.
✓ order for notice of Intent
✓ Certificate.

SF-00006-03

STATE OF MINNESOTA

DEPARTMENT ATTORNEY GENERAL

Office Memorandum

MARK DAYTON
Department of Energy and Economic Development

TO: DATE: 12-29-86

ATTN: ELIZABETH CUTTER
Special Assistant Attorney General

FROM: MARTHA J. CASSERLY MJC PHONE: 296-4692
Special Assistant Attorney General

SUBJECT: Rules Relating to Community Energy Council

The above-referenced rule has been approved as to its legality by the Attorney General on December 26, 1986.

Enclosed is the agency's copy of the approved rule. This office has already filed two copies of the approved rule with the Secretary of State, who will forward one copy to the Revisor of Statutes. The fourth copy is being retained by this division of the Attorney General's Office for its records.

Also enclosed are any petitions, requests, submission or comments received by the agency and any extra copies of documents which the agency submitted to the Attorney General.

In order for a permanent rule without a hearing to become effective, your agency must publish a notice of adoption in the State Register in accordance with Minn. Stat. § 14.27. An emergency rule becomes effective five working days after approval by the Attorney General; however, the agency must publish a notice in the State Register in accordance with Minn. Stat. § 14.34.

If you have any questions in this regard, please contact me.

MJC/ag
Enclosures

cc: Maryanne Hruby
Executive Director
Legislative Commission to Review
Administrative Rules

Duane Harves
Chief Administrative Law Judge
Office of Administrative Hearings

RR#1335

Department of Energy and Economic Development

Adopted Permanent Rules Relating to Community Energy Council Grants

Rules as Adopted

COMMUNITY ENERGY COUNCIL GRANTS

4160.5100 DEFINITIONS.

Subpart 1. **Scope.** For purposes of parts 4160.5200 to 4160.5900, the following terms have the meaning given them.

Subp. 2. **Commissioner.** "Commissioner" means the commissioner of the Department of Energy and Economic Development.

Subp. 3. **Community energy council.** "Community energy council" means a council, committee, board, or other body formed by a city or county, individually or through the exercise of joint powers agreements, to address local energy issues.

Subp. 4. **Department.** "Department" means the Department of Energy and Economic Development.

Subp. 5. **Eligible applicant.** "Eligible applicant" means a Minnesota city or county.

4160.5200 PURPOSE.

Parts 4160.5100 to 4160.5900 establish the method by which the department provides funds to Minnesota cities and counties in support of community energy council activities, as authorized by Minnesota Statutes, section 116J.381.

4160.5300 GRANT PROGRAM.

Subpart 1. **Application schedule.** After announcement by the department in the State Register, the department shall accept applications for community energy council grants from cities and counties, individually, collectively, or through the exercise of joint powers agreements. All available funds shall be announced at the beginning of each grant cycle. No applicant may apply for more than one grant per cycle. The department

shall consider for funding only applications received by the deadline announced in the State Register.

Subp. 2. **Review process.** The commissioner shall select the members of a committee to assist the commissioner to review and rank applications. The review committee shall score applications according to criteria in part 4160.5500 and transmit its recommendations to the commissioner. The commissioner shall approve, disapprove, or return for further consideration applications recommended by the committee. The department must complete its review and inform applicants of its decision within 45 days of the application deadline. Upon approval by the commissioner, a grant agreement may be negotiated with the department in accordance with part 4160.5800.

Subp. 3. **Maximum award amount.** The maximum amount of a community energy council grant to an individual applicant other than cities of the first class is $30,000 for the first year and $15,000 for the second year and requires at least a ten percent local match. The maximum amount of a community energy council grant to a joint application for the first year is $30,000 for the first applicant and $24,000 for each additional applicant up to a maximum of $80,000, and requires at least a ten percent local match. The maximum amount of a community energy council grant to a joint application for the second year is $15,000 for the first applicant and $12,000 for each additional applicant up to a maximum of $48,000, and requires at least a ten percent local match.

Subp. 4. **Cities of the first class.** When the department announces the availability of new grant funds in the State Register, the department shall announce that a portion of the funds is reserved to fund applications submitted by cities of the first class. The portion reserved for applications submitted by cities of the first class shall equal the percentage of available funds equal to the percent of the state population constituted by cities of the first class. The department shall calculate the percent of the population constituted by cities of the first class using the most recent

population figures available from the Office of the State Demographer or the United States Bureau of the Census, whichever is most recent. If the review committee awards its application an average score of at least 80 points according to the criteria in part 4160.5500, a city of the first class will be eligible for a grant amount equal to the percent of available funds that equals the city's percentage of the state population.

4160.5400 APPLICATION FOR COMMUNITY ENERGY COUNCIL GRANT.

Subpart 1. **Form.** Applications must be submitted in a form prescribed by the department.

Subp. 2. **Contents.** Applications must contain the following information:

A. Documentation of the existence of a community energy council must include a copy of the resolution of the governing body establishing a community energy council, and a list of members appointed by the governing body to serve on the community energy council, including the members' relevant affiliations, if any.

B. Applicants shall include a work plan that explains how the applicant intends to undertake program planning and implementation during the grant period. Applicants shall specify major tasks to be undertaken and a project schedule that includes beginning and ending dates for each task. The expected results or product of each task must be identified.

C. The budget must identify major expenditure categories and amounts and the amount and source of the local match.

D. Applicants shall submit a copy of the resolution or resolutions that authorize the submission of the application to the department.

4160.5500 EVALUATION OF GRANT APPLICATION.

Subpart 1. **Criteria.** The review committee shall evaluate grant applications according to the following criteria:

A. Community energy councils must include representatives of labor, small business, volunteer

organizations, senior citizens, and low and moderate income residents, and may include city and county officials, and other interested parties.

B. A work plan will be evaluated to determine its potential to reduce energy use and energy costs in the applicant community. Positive indicators of this potential are:

(1) a work plan that implements one or more eligible activities as listed in part 4160.5600, subpart 1, during the grant period;

(2) a work plan that demonstrates how the applicant will coordinate activities undertaken with community energy council grant funds with activities of other energy service providers, including cities and counties; or

(3) a work plan that indicates efforts that are underway or planned to secure funds in addition to a community energy council grant for project implementation.

C. Past or current experience in conducting energy-related community programs will be considered by the review committee as an indicator of the applicant's capability in this area and commitment to energy programs.

D. A grant application must be clear, concise, and complete.

Subp. 2. **Point values for applications.** The review committee shall award points to each application as follows:

A. representation of community energy council membership, up to a maximum of 35 points;

B. adequacy of applicant work plan, up to a maximum of 40 points;

C. energy-related program experience, up to a maximum of 15 points; and

D. clarity, conciseness, and completeness, up to a maximum of ten points.

4160.5600 CLASSIFICATION OF ELIGIBLE AND INELIGIBLE GRANTEE ACTIVITIES.

Subpart 1. **Eligible activities.** Planning, promotion,

coordination, and implementation of the following activities are eligible for community energy council grants:

A. Residential energy conservation activities may include energy audits, workshops, distribution of energy conservation materials and information, and financing programs.

B. Rental energy conservation activities include energy audits, workshops, distribution of energy conservation materials and information, enforcement of rental energy efficiency standards, and financing programs. Tenants and rental property owners are eligible beneficiaries of rental energy conservation activities.

C. Business energy conservation activities may include meetings and workshops, energy audits, distribution of energy conservation materials and information, and financing programs.

D. Transportation energy conservation activities may include car-care clinics, promotion of energy efficient transportation modes, and traffic flow synchronization.

E. Community energy planning activities may include development of community energy use and cost profiles and estimates of energy conservation and alternative energy potentials.

F. Local government energy conservation activities may include energy use and cost accounting, fleet management, procurement of energy efficient vehicles and equipment, and recycling.

G. Energy efficient land use planning activities may include developing and amending comprehensive plans and zoning ordinances, subdivision regulations, and other land use controls to facilitate energy efficient development and the use of renewable energy resources.

H. Alternative energy activities may include projects the objective of which is the substitution of alternative energy sources for fossil fuels.

Subp. 2. **Ineligible activities.** The following activities are ineligible for community energy council grants:

A. projects conducted outside a grantee's corporate boundaries by the grantee alone; and

B. real property acquisition.

4160.5700 CLASSIFICATION OF ELIGIBLE AND INELIGIBLE GRANTEE EXPENDITURES.

Subpart 1. **Eligible grantee expenditures.** The following are eligible grantee expenditures:

A. salaries and wages;

B. fringe benefits;

C. in-state travel;

D. space rental and utilities;

E. rental and lease of equipment;

F. consumable supplies;

G. telephone;

H. postage;

I. printing and printed materials; and

J. insurance.

Subp. 2. **Ineligible grantee expenditures.** The following are ineligible grantee expenditures:

A. out-of-state travel, unless specifically approved in an agreement between the grantee and the department;

B. purchase of real property;

C. purchase of equipment, except consumable supplies; and

D. retroactive payment of grant funds for activities undertaken prior to the effective date of the grant agreement.

4160.5800 GRANT AGREEMENT.

Subpart 1. **Contents.** An agreement must specify the grant amount and the duration of the grant. The agreement must include assurance that the local share will be provided, that the work program agreed upon will be carried out and that the grantee will use all interest earned on grant funds for eligible purposes consistent with the grant agreement. A grant agreement based upon a joint application must be executed by the applicant city or county that will be directly responsible for financial

management of the grant, and that will be responsible for the required reports in part 4160.5800, subpart 4, and the records required in part 4160.5800, subpart 5. Amendments and extensions may only be made in writing and must be signed by all parties.

Subp. 2. **Funding period.** Grants will be approved for a period of up to one year, unless other terms are agreed to by the commissioner. Grants will be approved for a second year if the first year work plan has been completed or if the grantee has made substantial progress towards completion of the first year work plan, as determined by the commissioner.

Subp. 3. **Disbursement schedule.** Funds will be disbursed according to the procedures contained in items A and B:

A. For grants equal to or less than $40,000, the department shall disburse 80 percent of the grant money when it receives an invoice of projected costs. The department shall disburse the remaining 20 percent when the grantee work program is complete and the department receives a satisfactory final report.

B. For grants greater than $40,000, the department shall disburse ten percent of the grant amount when it receives an invoice requesting disbursement. Following the initial disbursement, the department shall reimburse grantees quarterly for actual expenses incurred during the preceding three months when the grantee submits an invoice and a financial statement documenting these expenses, until 90 percent of the grant amount has been disbursed. The department shall disburse the remaining ten percent when the grantee work program is complete and the department receives a satisfactory final report.

Subp. 4. **Required reports.** The grantee shall submit to the department on the first of each month a one to two page report briefly stating the activities that have taken place during the month. The grantee shall provide the department with three copies of a final report and financial statement, describing all activities that took place during the grant period. The final report must summarize planning and

implementation steps in chronological order and identify all parties involved during the grant period.

Subp. 5. **Records.** The grantee shall maintain financial records according to generally recognized accounting methods for a period of not less than three years from the date of the execution of the contract of all transactions related to the receipt and expenditure of grant money.

Subp. 6. **Grant agreement deviations.** Unless the grantee demonstrates to the department that the grantee's circumstances have changed since execution of the grant agreement to such an extent that a deviation is necessary to complete the agreed upon work program, no grant funds may be used to finance activities by consultants or local staff if the activities are not included in the grant agreement. A grantee may not contract out all its energy-related activities to consultants unless the grantee demonstrates to the department that such contracting is necessary to complete the work program.

4160.5900 GRANT CLOSE-OUT.

Subpart 1. **Evaluation.** The department shall conduct an evaluation of the final report and all the required reports and financial documents within 60 days of their submission by the grantee to the department. The evaluation shall assess:

A. whether the local share contributed was equal to or greater than ten percent of the total cost of the agreed upon work program;

B. whether the agreed upon work program was completed; and

C. whether the governing body has formally reviewed the completed final report.

Subp. 2. **Review.** Upon completion of a satisfactory evaluation by the department, the department shall disburse the remaining amount owed to the grant recipient. If the results of the evaluation are unfavorable to the grantee and the grantee does not agree with the findings of the evaluation, the grantee may request a review by the commissioner.

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
DEC 29 1986
Joan Anderson Growe
Secretary of State
9:06 AM

APPROVED AS TO FORM AND LEGALITY
December 26 1986
HUBERT H. HUMPHREY, III
ATTORNEY GENERAL
BY MJ Cassedy
SPECIAL ASSISTANT ATTORNEY GENERAL

Department of Energy and Economic Development, Energy Division

Outside Opinion Sought Regarding Proposed Amendments to Rules Governing Community Energy Council Grants to Govern the Distribution of Oil Overcharge Funds for Community Energy Initiatives Grants

Notice is hereby given that the Department of Energy and Economic Development, Energy Division (DEED) is seeking information or opinions from sources outside the agency in preparing to promulgate amendments to rules governing Community Energy Councils Grants (Minn. Rules, parts 4160.5100-4160.5900) to govern the distribution of oil overcharge funds for community energy initiatives grants. The promulgation of these rules is permitted by Minnesota Statutes, sections 116J.035, subdivision 2 and 116J.381, subdivision 4, which permit the Commissioner to adopt rules pursuant to chapter 14 as necessary to carry out his duties and responsibilities pursuant to chapter 116J, and to provide professional and financial assistance to communities to establish community energy councils and develop and implement community energy programs.

DEED requests information and comments concerning the subject matter of these amendments to the rules. Interested or affected persons may submit statements of information or comment orally or in writing. Written statements should be addressed to: Mark Schoenbaum, DEED, 900 American Center Building, 150 E. Kellogg Blvd., St. Paul, MN 55101. Oral statements will be received during regular business hours by telephone at (612) 297-3602 and in person at the above address.

All statements and comments pertaining to this matter shall be accepted until the end of the comment period for any proposed amendments to the rules or until the close of the hearing record should there be a public hearing on these rules, whichever is later. Any written material received by DEED shall become part of the rulemaking record in the event that amendments to the rules are promulgated.

Mark B. Dayton, Commissioner

Department of Health, Services for Children with Handicaps

Cost-Sharing Schedule

Notice is hereby given that the Cost-Sharing Schedule, prepared according to Minnesota Rules, Chapter 4705.0600 Subp. 3 and published here will be effective October 1, 1986.

Dated: 13 August 1986

Sister Mary Madonna Ashton
Commissioner of Health

Cost-sharing Schedule

The applicant's share is one percent of cost for each $1,000 or fraction of $1,000 of income above 60 percent of the state gross median income for a household of the same size as the applicant's. The applicant's percent share is found on the schedule by looking under the number which is the number of members of applicant's household to find the income level which includes the applicant's annual household income. The applicant's percent share is shown to the far left of that income level. To extend the schedule to households of more than ten members add $457 for each household member in excess of ten to the income levels for a household of ten members.

Department of Energy and Economic Development

Proposed Permanent Rules Relating to Community Energy Council Grants

Rules as Proposed

COMMUNITY ENERGY COUNCIL GRANTS

4160.5100 DEFINITIONS.

Subpart 1. **Scope.** For purposes of parts 4160.5200 to 4160.5900, the following terms have the meaning given them.

Subp. 2. **Commissioner.** "Commissioner" means the commissioner of the Department of Energy and Economic Development.

Subp. 3. **Community energy council.** "Community energy council" means a council, committee, board, or other body formed by a city or county, individually or through the exercise of joint powers agreements, to address local energy issues.

Subp. 4. **Department.** "Department" means the Department of Energy and Economic Development.

Subp. 5. **Eligible applicant.** "Eligible applicant" means a Minnesota city or county.

4160.5200 PURPOSE.

Parts 4160.5100 to 4160.5900 establish the method by which the department provides funds to Minnesota cities and counties in support of community energy council activities, as authorized by Minnesota Statutes, section 116J.381.

4160.5300 GRANT PROGRAM.

Subpart 1. **Application schedule.** After announcement by the department in the State Register, the department shall accept applications for community energy council grants from cities and counties, individually, collectively, or through the exercise of joint powers agreements. <u>All available funds shall be announced at the beginning of each grant cycle. No applicant may apply for more than one grant per cycle.</u> The department

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shall consider for funding only applications received by the deadline announced in the State Register.

Subp. 2. **Review process.** The commissioner shall select the members of a committee to assist ~~him or her~~ the commissioner to review and rank applications. The review committee shall score applications according to criteria in part 4160.5500 and transmit its recommendations to the commissioner. The commissioner shall approve, disapprove, or return for further consideration applications recommended by the committee. The department must complete its review and inform applicants of its decision within 45 days of the application deadline. Upon approval by the commissioner, a grant agreement may be negotiated with the department in accordance with part 4160.5800.

Subp. 3. **Maximum award amount.** The maximum amount of a community energy council grant to an individual applicant other than cities of the first class is ~~$15,000~~ $30,000 for the first year and $15,000 for the second year and requires at least a ten percent local match. The maximum amount of a community energy council grant to a joint application for the first year is ~~$15,000~~ $30,000 for the first applicant and ~~$12,000~~ $24,000 for each additional applicant up to a maximum of ~~$50,000~~ $80,000, and requires at least a ten percent local match. The maximum amount of a community energy council grant to a joint application for the second year is $15,000 for the first applicant and $12,000 for each additional applicant up to a maximum of $48,000, and requires at least a ten percent local match.

Subp. 4. **Cities of the first class.** When the department announces the availability of new grant funds in the State Register, the department shall announce that a portion of the funds is reserved to fund applications submitted by cities of the first class. The portion reserved for applications submitted by cities of the first class shall equal the percentage of available funds equal to the percent of the state population constituted by cities of the first class. The department shall calculate the percent of the population

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constituted by cities of the first class using the most recent population figures available from the Office of the State Demographer or the United States Bureau of the Census, whichever is most recent. If the review committee awards its application an average score of at least 80 points according to the criteria in part 4160.5500, a city of the first class will be eligible for a grant amount equal to the percent of available funds that equals the city's percentage of the state population.

4160.5400 APPLICATION FOR COMMUNITY ENERGY COUNCIL GRANT.

Subpart 1. **Form.** Applications must be submitted in a form prescribed by the department.

Subp. 2. **Contents.** Applications must contain the following information:

A. Documentation of the existence of a community energy council must include a copy of the resolution of the governing body establishing a community energy council, and a list of members appointed by the governing body to serve on the community energy council, including the members' relevant affiliations, if any.

B. Applicants shall include a work plan that explains how the applicant intends to undertake program planning and implementation during the grant period. Applicants shall specify major tasks to be undertaken and a project schedule that includes beginning and ending dates for each task. The expected results or product of each task must be identified.

C. The budget must identify major expenditure categories and amounts and the amount and source of the local match.

D. Applicants shall submit a copy of the resolution or resolutions that authorize the submission of the application to the department.

4160.5500 EVALUATION OF GRANT APPLICATION.

Subpart 1. **Criteria.** The review committee shall evaluate grant applications according to the following criteria:

A. Community energy councils must include

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representatives of labor, small business, volunteer organizations, senior citizens, and low and moderate income residents, and may include city and county officials, and other interested parties.

B. A work plan will be evaluated to determine its potential to reduce energy use and energy costs in the applicant community. Positive indicators of this potential are:

(1) a work plan that implements one or more eligible activities as listed in part 4160.5600, subpart 1, during the grant period;

(2) a work plan that demonstrates how the applicant will coordinate activities undertaken with community energy council grant funds with activities of other energy service providers, including cities and counties; or

(3) a work plan that indicates efforts that are underway or planned to secure funds in addition to a community energy council grant for project implementation.

C. Past or current experience in conducting energy-related community programs will be considered by the review committee as an indicator of the applicant's capability in this area and commitment to energy programs.

D. A grant application must be clear, concise, and complete.

Subp. 2. **Point values for applications.** The review committee shall award points to each application as follows:

A. representation of community energy council membership, up to a maximum of 35 points;

B. adequacy of applicant work plan, up to a maximum of 40 points;

C. energy-related program experience, up to a maximum of 15 points; and

D. clarity, conciseness, and completeness, up to a maximum of ten points.

4160.5600 CLASSIFICATION OF ELIGIBLE AND INELIGIBLE GRANTEE ACTIVITIES.

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Subpart 1. **Eligible activities.** Planning, promotion, coordination, and implementation of the following activities are eligible for community energy council grants:

A. Residential energy conservation activities may include energy audits, workshops, distribution of energy conservation materials and information, and financing programs.

B. Rental energy conservation activities include energy audits, workshops, distribution of energy conservation materials and information, enforcement of rental energy efficiency standards, and financing programs. Tenants and rental property owners are eligible beneficiaries of rental energy conservation activities.

C. Business energy conservation activities may include meetings and workshops, energy audits, distribution of energy conservation materials and information, and financing programs.

~~C.~~ D. Transportation energy conservation activities may include car-care clinics, promotion of energy efficient transportation modes, and traffic flow synchronization.

~~D.~~ E. Community energy planning activities may include development of community energy use and cost profiles and estimates of energy conservation and alternative energy potentials.

~~E.~~ F. Local government energy conservation activities may include energy use and cost accounting, fleet management, procurement of energy efficient vehicles and equipment, and recycling.

~~F.~~ G. Energy efficient land use planning activities may include developing and amending comprehensive plans and zoning ordinances, subdivision regulations, and other land use controls to facilitate energy efficient development and the use of renewable energy resources.

~~G.~~ H. Alternative energy activities may include projects the objective of which is the substitution of alternative energy sources for fossil fuels.

Subp. 2. **Ineligible activities.** The following activities

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are ineligible for community energy council grants:

A. projects conducted outside a grantee's corporate boundaries by the grantee alone; and

B. real property acquisition.

4160.5700 CLASSIFICATION OF ELIGIBLE AND INELIGIBLE GRANTEE EXPENDITURES.

Subpart 1. **Eligible grantee expenditures.** The following are eligible grantee expenditures:

A. salaries and wages;

B. fringe benefits;

C. in-state travel;

D. space rental and utilities;

E. rental and lease of equipment;

F. consumable supplies;

G. telephone;

H. postage;

I. printing and printed materials; and

J. insurance.

Subp. 2. **Ineligible grantee expenditures.** The following are ineligible grantee expenditures:

A. out-of-state travel, unless specifically approved in an agreement between the grantee and the department;

B. purchase of real property;

C. purchase of equipment, except consumable supplies; and

D. retroactive payment of grant funds for activities undertaken prior to the effective date of the grant agreement.

4160.5800 GRANT AGREEMENT.

Subpart 1. **Contents.** An agreement must specify the grant amount and the duration of the grant. The agreement must include assurance that the local share will be provided ~~and~~, that the work program agreed upon will be carried out and that the grantee will use all interest earned on grant funds for eligible purposes consistent with the grant agreement. A grant agreement based upon a joint application must be executed by the

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applicant city or county that will be directly responsible for financial management of the grant, and that will be responsible for the required reports in part 4160.5800, subpart 4, and the records required in part 4160.5800, subpart 5. Amendments and extensions may only be made in writing and must be signed by all parties.

Subp. 2. **Funding period.** Grants will be approved for a period of up to one year, unless other terms are agreed to by the commissioner. Grants will be approved for a second year if the first year work plan has been completed or if the grantee has made substantial progress towards completion of the first year work plan, as determined by the commissioner.

Subp. 3. **Disbursement schedule.** Funds will be disbursed according to the procedures contained in items A and B:

A. For grants equal to or less than $40,000, the department shall disburse 80 percent of the grant money when it receives an invoice of projected costs. The department shall disburse the remaining 20 percent when the grantee work program is complete and the department receives a satisfactory final report.

B. For grants greater than $40,000, the department shall disburse ten percent of the grant amount when it receives an invoice requesting disbursement. Following the initial disbursement, the department shall reimburse grantees quarterly for actual expenses incurred during the preceding three months when the grantee submits an invoice and a financial statement documenting these expenses, until 90 percent of the grant amount has been disbursed. The department shall disburse the remaining ten percent when the grantee work program is complete and the department receives a satisfactory final report.

Subp. 4. **Required reports.** The grantee shall submit to the department on the first of each month a one to two page report briefly stating the activities that have taken place during the month. The grantee shall provide the department with three copies of a final report and financial statement, describing all activities that took place during the grant

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period. The final report must summarize planning and implementation steps in chronological order and identify all parties involved during the grant period.

Subp. 5. **Records.** The grantee shall maintain financial records according to generally recognized accounting methods for a period of not less than three years from the date of the execution of the contract of all transactions related to the receipt and expenditure of grant money.

Subp. 6. **Grant agreement deviations.** Unless the grantee demonstrates to the department that the grantee's circumstances have changed since execution of the grant agreement to such an extent that a deviation is necessary to complete the agreed upon work program, no grant funds may be used to finance activities by consultants or local staff if the activities are not included in the grant agreement. A grantee may not contract out all its energy-related activities to consultants unless the grantee demonstrates to the department that such contracting is necessary to complete the work program.

4160.5900 GRANT CLOSE-OUT.

Subpart 1. **Evaluation.** The department shall conduct an evaluation of the final report and all the required reports and financial documents within 60 days of their submission by the grantee to the department. The evaluation shall assess:

A. whether the local share contributed was equal to or greater than ten percent of the total cost of the agreed upon work program;

B. whether the agreed upon work program was completed; and

C. whether the governing body has formally reviewed the completed final report.

Subp. 2. **Review.** Upon completion of a satisfactory evaluation by the department, the department shall disburse the remaining ~~20-percent-of-the-grant~~ <u>amount owed</u> to the grant recipient. If the results of the evaluation are unfavorable to the grantee and the grantee does not agree with the findings of

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the evaluation, the grantee may request a review by the commissioner.

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Office of the Revisor of Statutes

Administrative Rules

TITLE: Proposed Permanent Rules Relating to Community Energy Council Grants

AGENCY: Department of Energy and Economic Development

MINNESOTA RULES: Chapter 4160

The attached rules are approved for publication in the State Register

David S. Niss
Assistant Revisor

State of Minnesota

Department of Energy and Economic Development

Energy Division

In the Matter of the Proposed Adoption of the Rule Amendments of the State Department of Energy and Economic Development Governing Distribution of Community Energy Council Grant Funds (4160.5100 - 4160.5900)	NOTICE OF INTENT TO ADOPT A RULE WITHOUT A PUBLIC HEARING

Notice is hereby given that the State of Minnesota, Department of Energy and Economic Development, Energy Division, intends to adopt the above-entitled rule without a public hearing following the procedures set forth in the Administrative Procedure Act for adopting rules without a public hearing in Minnesota Statutes, sections 14.22 to 14.28. The statutory authority to adopt the rule is Minnesota Statutes, sections 116J.035, subdivision 2 and 116J.381, subdivision 4, which permit the Commissioner to adopt rules pursuant to chapter 14 as necessary to carry out his duties and responsibilities pursuant to chapter 116J, and to provide professional and financial assistance to communities to establish community energy councils and develop and implement community energy programs.

All persons have 30 days in which to submit comment in support of

or in opposition to the proposed rule or any part or subpart of the rule. Comment is encouraged. Each comment should identify the portion of the proposed rule addressed, the reason for the comment, and any change proposed.

Any person may make a written request for a public hearing on the rule within the 30-day comment period. If 25 or more persons submit a written request for a public hearing within the 30-day comment period, a public hearing will be held unless a sufficient number withdraw their request in writing. Any person requesting a public hearing should state his or her name and address, and is encouraged to identify the portion of the proposed rule addressed, the reason for the request, and any change proposed. If a public hearing is required, the agency will proceed pursuant to Minnesota Statutes, sections 14.131 to 14.20.

Comments or written requests for a public hearing must be submitted to:

Mark Schoenbaum, DEED, 900 American Center Building, 150 E. Kellogg Blvd., St. Paul, MN 55101. Oral statements will be received during regular business hours by telephone at (612) 297-3602 and in person at the above address.

The proposed rule may be modified if the modifications are

supported by data and views submitted to the agency and do not result in a substantial change in the proposed rule as noticed.

The rules proposed for adoption relate to the following matters: These rules amend the program governing the distribution of funds for community energy council grants (Minn. Rules, parts 4160.5100 - 4160.5900) in response to a three million dollar allocation from the Exxon oil overcharge case. The rules amend the application schedule and review process, increase the maximum award amount of grants, establish that a portion of funds will be reserved to fund applications submitted by cities of the first class, clarify that rental energy conservation activities are eligible activities,and amend the grant agreement contents, funding period, and disbursement schedule. A free copy of the rule is available upon request from Mark Schoenbaum, DEED, 900 American Center Building, 150 E. Kellogg Blvd., St. Paul, MN 55101, telephone (612) 297-3602.]

A Statement of Need and Reasonableness that describes the need for and reasonableness of each provision of the proposed rule and identifies the data and information relied upon to support the proposed rule has been prepared and is available from Mark Schoenbaum, DEED, 900 American Center Building, 150 E. Kellogg Blvd., St. Paul, MN 55101, telephone (612) 297-3602, upon request.

If no hearing is required, upon adoption of the rule, the rule and required supporting documents will be submitted to the Attorney General for review as to legality and form to the extent the form relates to legality. Any person may request notification of the date of submission to the Attorney General. Persons who wish to be advised of the submission of this material to the Attorney General, or who wish to receive a copy of the adopted rule, must submit the written request to Mark Schoenbaum, DEED, 900 American Center Building, 150 E. Kellogg Blvd., St. Paul, MN 55101.

October 21, 1986

Date

MARK B. DAYTON

COMMISIONER

STATE OF MINNESOTA

DEPARTMENT OF ENERGY AND ECONOMIC DEVELOPMENT

ENERGY DIVISION

In the Matter of the Proposed Adoption of Rule Amendments Governing Distribution of Community Energy Council Grant Funds (4160.5100-4160.5900)

Statement of Need and Reasonableness

I. INTRODUCTION

The 1984 Legislature established a community energy program and appropriated funds for grants to communities. Laws of Minnesota 1984, chapter 654, article II, section 106, codified as Minnesota Statutes 116J.381, established a community energy program in the Department of Energy and Economic Development, provided for the creation of community energy councils with certain powers and duties by cities and counties, and empowered the commissioner to provide assistance to communities. (Hereafter in this statement the phrase "the statute" refers to Minnesota Statutes section 116J.381) The 1984 Legislature also made an appropriation for grants to communities for community energy councils of $145,000.

The department proposed and adopted permanent rules for a Community Energy Council Grant Program in 1984 and disbursed the original appropriation. The Legislature made additional

appropriations to the program for the 1986 and 1987 state fiscal years, and $165,000 in Amoco oil overcharge funds was also allocated to the program for fiscal years 1985 and 1986. The total amount of grant funds available each year has averaged $193,000. During the three fiscal years of the program's existence 35 grants have been made to cities and counties for a wide variety of community energy programs at the local level.

Minnesota received $36 million from the Exxon oil overcharge case (561F SUPP. 816) in August, 1986. The Governor appointed a 26 member task force to make recommendations to him concerning the use of Exxon funds, and the Legislative Commission on Energy also made recommendations to the Governor. Both sets of recommendations proposed funding for Community Energy Initiatives.

Governor Perpich and the Legislative Advisory Commission allocated $3 million of Exxon funds for Community Energy Initiatives, which are described in the governor's announcement of his decision on the allocations and in the Legislative Advisory Commission's order on the allocations as a "supplement to existing program in the Department of Energy and Economic Development. (Locally planned programs to conserve energy.)"

Minn. Stat 116J.035 empowers the Commissioner of Energy and Economic Development to "adopt rules pursuant to Chapter 14 as necessary to carry out his duties and responsibilities pursuant to this Chapter [Minn. Stat. 116J]." This Statement of Need and

Reasonableness describes the manner in which the department proposes to amend its rules governing community energy council grants in response to the increase in available funds represented by the $3 million Exxon allocation.

II. IMPACT ON SMALL BUSINESS

The proposed rules amend a program of state financial assistance to cities and counties in support of community energy council activities, and as such have no direct affect on small businesses. Rules covering areas such as this are exempted from Minnesota Statute 14.115 by Minnesota Statute 14.115, Subdivision 8 (b).

Nonetheless, the amendments retain two particular instances in the rules relating to small business that merit discussion in this statement. Part 4160.5500, subpart 1, item A states "Community energy councils must include representatives of labor, small business, volunteer organizations, senior citizens, and low and moderate income residents, and may include city and county officials, and other interested parties." This item has had a beneficial affect on small business because it provides small business a voice in determining the activities of community energy councils. This item established no compliance or reporting requirements or performance, design, or operational standards for small businesses.

Part 4160.5600, subpart 1, item B (renumbered as item C in this proposed amendment) allows grant funds to be expended for the planning, promotion, coordination, and implementation of business energy conservation activities. This item has had a beneficial impact on small businesses, which have received energy conservation assistance from those grantees that have chosen to undertake business energy conservation activities. This item established no compliance or reporting requirements or performance, design or operational standards for small businesses. This item is permissive rather than mandatory, and as such grantees and/or small businesses may choose whether or not to participate in business energy conservation activities, thus "exempting themselves" from this section of the rules.

III. PROCEDURAL HISTORY

The department published a Notice of Intent to Solicit Outside Opinion in the State Register on August 25, 1986. In addition the department announced in the September 8, 1986, State Register a series of five public meetings to provide opportunities throughout the state for interested parties to provide input to the department. Invitations to attend were sent to every city and county with a community energy council, to every regional development commission, to all six McKnight Foundation Minnesota Initiatives regional offices, and to every member of the Legislature. Public meeting announcements were distributed to Community Action Agencies at a Community Action Agency training session in Brainerd on September 9, 1986. Announcements of the meetings were mailed to every newspaper, radio station and television station in the state.

Meetings were held in Benson on September 23, New Ulm on September 24, Thief River Falls on September 29, Grand Rapids on October 2, and St. Paul on October 6, 1986. Each meeting had the same format and agenda. The department distributed written background information on the Exxon oil overcharge allocation, the history of the community energy council grant program, and the existing program rules. The meetings began with a fifteen to twenty minute introductory presentation by the department covering the Exxon funds, the current community energy council grant program, the rule amendment process, and the department's desire for oral and written public input. The public comment and question and answer portion of each meeting was then convened and conducted by an Administrative Law Judge from the Office of Administrative Hearings.

Fifty three people registered on the sign in sheets at the meetings. No comments were received on rule amendments or program changes at the Benson meeting, although the department did respond to a number of questions.

At the New Ulm meeting six people made oral comments and the department received written statements from New Ulm Energy Coordinator Steve Hamilton, Mankato/North Mankato Energy Coordinator Barb Maher, and Gloria Vande Brake and Ann Schaffer of the Southwest Regional Development Commission. The department will respond to the substance of each comment in the section of this statement that discusses the corresponding rule provision.

At the Thief River Falls meeting five people made oral comments, and two people spoke at the Grand Rapids meeting. Fourteen people spoke at the St. Paul meeting, and written comments were received from Sheldon Strom of the city of Minneapolis and Lt. Merle Heatwole of the Salvation Army Heatshare Program.

The department had received a total of ten written comments through October 20, 1986.

IV. DISCUSSION OF THE NEED AND REASONABLENESS OF THE PROPOSED RULE AMENDMENTS.

A. 4160.5300 GRANT PROGRAM

Part 4160.5300 describes the application schedule, review process, maximum award amount, and local match requirements of the program.

Subpart 1. Application schedule

As suggested by the city of Minneapolis, the department proposes to add language to this subpart stating that all available funds shall be announced in each grant cycle, and that no applicant may apply for more than one grant per cycle. The department believes these changes are necessary to insure that all grant funds are available each grant cycle so that as many prospective applicants as possible have access to funds each grant cycle. Similarly, it is reasonable to limit applicants to one grant so that funds can be distributed equitably among communities.

Subpart 2. Review process.

The department believes the revisor's amendment replacing "him or her" as a reference to the commissioner with "the commissioner" is necessary and reasonable to restore clear language to the rule.

As suggested by the city of Minneapolis, the department proposes to add language to this subpart requiring the department to complete application review and inform applicants of its decision within 45 days of the application deadline. The department believes it is necessary to insure timely processing of applications and believes that 45 days is a reasonable time limit for completing these tasks.

Subpart 3. Maximum award amount.

The department proposes to delete the provisions limiting individual grants to a maximum of $15,000 for an individual applicant and up to $50,000 for a joint application and to insert new maximum award amounts of $30,000 for the first year and $15,000 for the second year. The department also proposes to add new maximum amounts for a community energy council grant to a joint application for the first year of $30,000 for the first applicant and $24,000 for each additional applicant up to a maximum of $80,000 and requires at least a ten percent local match. In addition, the department proposes to add that the maximum amount of a community energy council grant to a joint

application for the second year is $15,000 for the first applicant and $12,000 for each additional applicant up to a maximum of $48,000, and requires at least a ten percent local match. The department proposes that these limits not apply to cities of the first class, which are covered in a proposed new subpart 4 of this part.

This proposed rule amendment would increase the maximum award amounts of individual and joint grants. It would also establish maximum award amounts for a second year of grant funding. (The need for and reasonableness of establishing a second year of funding is discussed on page 15, 4160.5800, subpart 2, Funding period. The proposed amendment to this section [part 4160.5300, subpart 3] only establishes the maximum award amounts for a second year of grant funding.)

The establishment of a $15,000 maximum award amount in the original rules for individual applicants and additional increments for joint applications was based in part on the resources available to the program at that time ($145,000). The original maximum award amounts was set in answer to the question "Given the limited amount of grant funds available, the number of interested prospective applicants of which the department is aware and the costs of local energy programs, what maximum award amount will make current funds available so that the greatest number of communities are provided sufficient grant funds to conduct effective local programs?" At the time the original rules were developed the most suitable answers to that question were the amounts adopted.

The department proposes to insert that grants will be approved for a second year if the first year work plan has been completed or if the grantee has made substantial progress towards completion of the first year work plan.

The original rules were developed when the program had received its first year of funding. At that time the department did not know whether the program would be continued, and the department believed it prudent to limit funding to one year. Having no prior experience funding community energy programs, the department did not know whether communities would desire to continue programs for more than one year or whether community programs would merit or benefit from state grant funding beyond the first year.

This proposed amendment is needed because the department has learned that communities with successful energy programs believe that continuing programs past the first year can provide continuing benefits to their communities. The department has observed that some communities can secure local resources to continue programs after the current one year of state funding ends. The department has also observed that some successful programs end when the current one year of state funding ends or are scaled back to minimal levels when local funds cannot be secured for their continuation. Mayor George Latimer of St. Paul wrote the department that "a serious impediment to the success of any conservation project is the short - term nature of funding," and the department agrees.

The department has observed the effect of the original maximum award amounts while monitoring the 35 grants funded during three fiscal years. While local programs have been very successful, the department has observed some of the limits resulting from the current maximum award amounts. These limitations primarily concern personnel issues. The maximum award amounts have hindered the ability of some grantees to offer a competitive enough salary to attract the most experienced personnel available to implement funded programs. The size of grants has also limited the ability of grantees to secure training for newly hired local energy staff, particularly in the area of the marketing and management skills commonly required by community energy staff. Finally, the relatively low wages provided community energy coordinators could lead to some difficulty attracting and retaining local staff.

This proposed amendment is needed both because the department is convinced that larger grants would result in better programs and because sufficient additional funds have become available to allow the department to offer larger grants and still accommodate many of the communities likely to be interested.

This proposed amendment is reasonable also because the department is convinced that larger grants would result in better programs and because sufficient additional funds have become available to allow the department to offer larger

grants and still accommodate many of the communities likely to be interested. The limit is also reasonable because it allows for grants of sufficient size to significantly contribute to grantee expenditures incurred in the conduct of eligible activitie. Finally, this proposed amendment is reasonable because it ameliorates the problems of attracting, training, and retaining local staff discussed above.

The department has received 14 comments regarding the maximum grant award. Without exception each commenter supported grants larger than $15,000. Quentin Crouch of Rochester recommended that the only maximum be for how much money an applicant could demonstrate an effective use. Several commenters proposed formulas to provide larger cities with more funds than smaller cities. The most common grant maximum proposed was $50,000. The city of Minneapolis recommended a $250,000 maximum. Several commenters proposed no specific maximum amount. Scott Knutson of Carver County commented that a $250,000 maximum was reasonable for Minneapolis, but he pointed out that funds would not be available to very many communities if a $250,000 maximum was available to all communities. Mr. Knutson added that "the smaller the grants are, the more communities can benefit." The department believes that its proposed funding levels for cities of the first class and for all other cities represents a reasonable accommodation of the comments it received. The department's amendments will provide larger amounts of Exxon money to cities of the first class while

still raising the maximum available to all other cities to a level that is comparable to the most common amount proposed by the five people who proposed specific amounts. The department believes that its proposed funding levels respond fairly to the written request of Mayor Steven Lockman of Lancaster for "a formula so the larger Cities don't get the Lions share."

While it could be argued that a different grant limit be proposed, the department believes that this proposed amendment, in conjunction with the establishment of a procedure to fund cities of the first class proposed below, achieves the reasonable objective of maximizing the number of grants in such a manner that combined state and local resources will be provided to accomplish applicant work plans. The proposed grant limit is reasonable also because it allows for at least 56 applicants to receive funds from the Exxon Community Energy Initiative allocation. The number of possible Exxon grants can be determined by performing the following calculation:

$3,000,000 minus $300,000 the department plans to make available to meet immediate local funding needs under the current rules, pending U.S. Department of Energy approval minus $460,620 available for first class cities as proposed in part 4160.5300, subpart 4 equals $2,239,380 available for all other communities divided by $45,000 proposed maximum two - year individual award amount for other than first class cities equals 53 grants (plus at least three grants for first class cities equals 56 grants).

Subpart 4. Cities of the first class.

The department proposes to insert a new subpart pertaining to cities of the first class. The department proposes that this new subpart specify that when the department announces the availability of new grant funds in the State Register, the department shall announce that a portion of the funds is reserved to fund applications submitted by cities of the first class. The portion reserved for applications submitted by cities of the first class shall equal the percentage of available funds equal to the percent of the state population constituted by cities of the first class. The department shall calculate the percent of the population constituted by cities of the first class using the most recent population figures available from the Office of the State Demographer or the United States Bureau of the Census, whichever is most recent. If the review committee awards its application an average score of at least 80 points according to the criteria in part 4160.5500 a city of the first class will be eligible for a grant amount equal to the percentage of available funds equal to its percent of the state population.

This proposed amendment is needed to provide both equitable and practical grant awards to the largest cities in the state and to all other communities. The three cities of the first class, particularly Minneapolis and St. Paul, have populations that are larger and demands for service that are

greater than other communities in the state. Though each community operates energy programs differently, all have ongoing programs at orders of magnitude greater than those of other communities. In order for cities of the first class to receive state assistance that will make a contribution to their programs as equitable as the contribution the standard grant award will make in smaller communities, cities of the first class must be eligible for larger amounts of the current Exxon funds currently available than smaller communities. This objective will be accomplished by this proposed subpart. Using the most recent State Demographer population figures available, the $3 million Exxon fund would provide Minneapolis with a grant of approximately $259,200, St. Paul with a grant of approximately $191,700 and Duluth with a grant of approximately $60,900.

This proposed amendment is reasonable because it takes into account the differing size and needs of cities of the first class and provides them an equitable share of the current Exxon fund. The population basis of the funding formula for first class cities is reasonable because it is also an indicator of amount of energy used and the need for energy programs to respond to the economic and social problems that can be caused by inefficient energy use. Establishing a two - tier award system that retains a flat maximum for all other communities is reasonable because it recognizes that there is a certain base level cost of any local energy program regardless of the size of the community.

Finally, this subpart is reasonable because it establishes a threshold score that applications from first class cities must meet. This approach recognizes that the set - aside for first class cities is different than the process for all other communities. It establishes a numerical threshold for funding based on the scoring system already in the rules high enough to assure the department that funds will be spent on activities with good prospects for success, yet low enough so that promising applications are not held to standards so high that their chances for funding are unreasonably hindered.

B. 4160.5600. CLASSIFICATION OF ELIGIBLE AND INELIGIBLE GRANTEE ACTIVITIES

Subpart 1. Eligible grantee activities.

The department proposes to insert a new item B and to renumber the following items in this subpart accordingly. The proposed new item B would add rental energy conservation activities to the list of eligible activities and describe those activities.

This proposed amendment is needed because the department received a number of comments from parties who were uncertain whether rental energy conservation activities were eligible. These comments demonstrate to the department that it is necessary to specify that rental energy conservation activities are clearly eligible so that prospective

applicants will know they can apply for grant funds to support these activities.

This proposed amendment is reasonable because it makes a provision of the rules clearer to affected parties than it has been to date.

C. 4160.5800 GRANT AGREEMENT

Subpart 1. Contents.

As suggested by the city of Minneapolis, the department proposes to add language to this subpart requiring an assurance that grantees will use all interest earned on grant funds for eligible purposes consistent with the grant agreement. The department believes this requirement is necessary to insure that funded programs benefit from grant earnings. The department believes it is reasonable to require that interest earned on grant funds further the purposes of the individual grant and the community energy council grant program. The department believes this amendment is also reasonable because it is consistent with a provision of the Exxon oil overcharge court order such that grantees will be in compliance with this provision of the court order when Exxon funds are awarded through these rules.

Subpart 2. Funding Period.

This proposed amendment is reasonable because it provides for longer, more secure funding of community energy programs by adding a second year of funding. The proposed amendment is also reasonable because it requires that grantees produce results in the first year of funding so that the department can ascertain that the grantee has the ability to make effective use of continuing funds.

The department believes its proposal to reduce the amount of funds in the second year is reasonable for two reasons. First, this approach recognizes that although the community energy council grant program has experienced an increase in its budget, the amount of grant funds available will not serve the 38 communities that have undertaken community energy programs to date and any communities with newly initiated community energy programs unless there are some constraints placed on the total funds available to each community. The department believes its proposal strikes a reasonable balance between the larger grants desired by communities from whom it has heard and the longer grants also desired by communities. The department received fourteen oral and written comments on the funding period. Suggestions ranged from "more than one year" to four years. The department did receive a recommendation from Barb Maher, Energy Coordinator for the cities of Mankato and North Mankato, that funds be available at a reduced level beyond the first year. Jerry Nagle of Crookston commented at the Thief River Falls meeting that grants should be funded for

two years with second year funding contingent on first year results. The department has incorporated these suggestions of Ms. Maher and Mr. Nagle in its proposed amendment.

Second, the funding limits of the program to date have led the department to view the grant program as one which provides seed money to begin projects that are successful enough to generate the local commitment and local resources to continue once state funds have been spent. Although eighty percent of those communities whose grants have expired have found the resources to continue programs at some level, the department has seen programs end or cut back because their successes did not become visible until it was too late to attract continuing local funding before their one year of state funding expired. The newly expanded grant program budget does make it possible to provide funding for a longer term, but the fact remains that once state funds are gone, other funds must be found or a local program will end. The department's proposal to provide declining funding in the second year gives communities a reasonable transition period in which to secure full funding from other sources.

Subpart 3. Disbursement schedule

The department proposes to insert a new item B to provide that for grants greater than $40,000 the department shall advance grantees ten percent of the grant award, following which the department will reimburse grantees quarterly for actual expenses incurred during the preceding three months

when the grantee submits an invoice and a financial statement documenting these expenses.

The original rules provide that grantees will receive 80% of the grant at the beginning of the grant period. This disbursement schedule was appropriate to provide start-up funds to smaller communities, with small cash balances. Because the usual grant amount was $15,000, because grants in no case could exceed $50,000, and the usual grant length was one year, the disbursement schedule provided the simplest disbursement procedure and was appropropriate for small grants.

Under the proposed amendments grant sizes will increase, and the term of grants will be lengthened. For the three cities of the first class, grant awards may approximate a half million dollars from Exxon funds.

This proposed amendment is needed because the original disbursement schedule is not appropriate for the largest grants that will be possible under the increased maximum award amounts proposed by the department in part 4160.5300, subpart 3, and for the grants to cities of the first class proposed by the department in part 4160.5300, subpart 4. In addition, the original disbursement schedule is not appropriate for grants longer than one year that would be possible under the department's proposed amendments to part 4160.5800, subpart 2. The proposed amendment is needed to

comply with Department of Finance Operating Policy and Procedure 06:04:20 which states that "grant contracts should avoid clauses calling for advances except where absolutely necessary. If advances must be paid, they should be kept to a minimum."

This proposed amendment is reasonable because it provides for timely reimbursement of grantee expenses on large grants. It is also reasonable because it retains the simple 80% advance for grants under $40,000 so that recipients of smaller grants are not burdened with reporting and recordkeeping disproportionate to the size of their grants. The amendment is reasonable because it provides all grantees with funds necessary to meet the sudden increase in costs directly associated with the beginning of grant activities.

D. Part 4160.5900 GRANT CLOSEOUT

Subpart 2. Review

The department proposes to amend the wording regarding final payment so that grantees will be paid the remaining "amount owed" rather than the remaining "20 percent of the grant." The department believes this change is needed and reasonable in order for this subpart to be consistent with the proposed amendments to part 4160.5800, subpart 3 that establish either 20 percent or 10 percent as the amounts retained until closeout.

V. DEPARTMENT RESPONSE TO PUBLIC COMMENTS THAT ADDRESS ISSUES OUTSIDE OF PROPOSED RULE AMENDMENTS

Mayor George Latimer of St. Paul recommended that the rules reserve a portion of the community initiatives funds for a demonstration grant program. The department believes such a reservation of funds is not needed. There is ample room within part 4160.5600, subpart 1, eligible grantee activities, and within part 4160.5500, evaluation of grant applications, for applicants to propose demonstration projects related to any of the categories of eligible activities and for those applications to meet the evaluation criteria well enough to receive funding. The community energy council grant program provides maximum flexibility to communities such as St. Paul to undertake those activities that best meet local needs. The department does not believe it is reasonable to constrain local initiative by making a state - level decision to feature one type of eligible activity by reserving a portion of available funds for only that activity. As demonstration projects are clearly eligible activities, the department urges St. Paul to propose demonstration projects if the city believes that in St. Paul such projects are in the city's interests. The department believes that with its proposed amendments the program addresses the other issues raised by Mayor Latimer.

The City of Minneapolis proposes to add a definition of the term "Community Energy Initiative" and to insert this term in place of the term community energy council in each subsequent instance where the term community energy council appears. Minneapolis also proposes to replace part 4160.5400, subpart 2, item A, which requires that applications document the existence of a community energy council, with a new item A that requires applications to contain a resolution by the municipality establishing authority and responsibility for energy programs within the boundaries of the municipality or a resolution establishing a community energy council. Minneapolis also proposes to remove the representation characteristics of a community energy council from the evaluation criteria and the scoring system contained in part 4160.5500, EVALUATION OF GRANT APPLICATIONS.

The department believes that none of these proposed changes is either needed or reasonable. The term community energy council comes directly from the statute, and was demonstrated to be a necessary and reasonable feature of the original rules. Thirty eight community energy councils have been established to date. The department does not require local governments to establish a community energy council with any particular form, and they have been established according to the usual local government practice in each community to best fit local situations. The department allows local governments to achieve the statutorily required membership representatives of labor, low and moderate income people, small business, senior citizens and volunteer organizations in any manner that best meets local needs. The

applicant must only show the department that all representation categories have at least one member.

The city has presented no evidence of any hardship it would suffer by complying with the current rules. The department is aware that the Minneapolis City Council has a standing Energy and Technology Committee that oversees the city's energy programs. The city has told the department that its existing arrangements meet its needs at this point in the history of its energy programs. In a funding application the city could state this and include a copy of the city council action establishing the Energy and Technology Committee, or other evidence of its existence, to meet this requirement of the rules. This presents no more work for the city than complying with its proposal, and it would fit the practice of the program, which has accepted and will continue to accept either the establishment of new bodies or the designation of existing bodies in fulfillment of the community energy council requirements of the program.

The department does not believe it is reasonable to diminish the community energy council features of this program. The community energy council features of the program have worked well, over 30 communities are making use of community energy councils established according to statute in ongoing community energy programs, and the department does not believe it is reasonable to reduce the key place of community energy councils in the program by making them an option rather than a requirement. The city's proposed language requiring a resolution to be submitted with applications only applies to municipalities, a term not

defined elsewhere by the city or found in the current rules. As the current rules define eligible applicant to be a Minnesota city or county, Minneapolis' language is defective and not consistent with other terms defined in the rules.

Minneapolis proposes a definition of the term "Warner Amendment" for addition to the rules, proposes language requiring applicants to agree to follow all the requirements of the Warner Amendment, proposes the addition of an eligible activity consisting of "other innovative activities allowable under the Warner Amendment", and adds requirements that administrative costs and interest income be treated by applicants as required by the Warner Amendment.

The Warner Amendment (Public Law 97-377) required that funds disbursed to states under a previous oil overcharge settlement comply with the regulations of at least one of five named federal energy programs. The Warner Amendment was applied to the Exxon case by the federal courts, which also prohibited the use of Exxon funds for "administrative costs." Minneapolis proposes to specify in the rules that these restrictions apply to all grants made under the rules.

The department notes that the rules have been used to make grants from a variety of funding sources in the past, and may apply to both state and federal funding sources in the future. Therefore, the department believes it is not reasonable to place Exxon restrictions on all future grants.

The department believes that further Exxon/Warner Amendment restrictions are not needed in the rules to achieve compliance with Exxon/ Warner Amendment requirements. U.S. Department of Energy review and approval is required of all state Exxon proposals to assure compliance with the Warner Amendment, and the department has already received federal approval of the current rules. The proposed amendments will not alter the basic design of the program, and the department believes federal approval of the amended rules will also be routine. Should there be additional federal requirements, the department can and has announced any necessary restrictions or prohibitions that are required by a particular funding source by including such restrictions in its announcement of affected grant cycles in the State Register. The department used this method to accommodate grant restrictions required by the Office of Hearings and Appeals of the U.S. Department of Energy in order to use Amoco oil overcharge funds for grants to communities under the program, and it worked well.

The City of Minneapolis proposes to add definitions for three types of grants (Rental Energy Standards Grants, Community Utility Partnership Grants and Innovative Community Energy Grants), divides part 4160.5600, subpart 1 (eligible activities) into three items corresponding to its three proposed grant types, and proposes that three application forms be used.

The department believes that Minneapolis' separation of grants is not needed or reasonable because each of the city's proposed grant types contains nothing more than activities that are

already eligible under the program. The department believes a review of previously funded grants shows that these types of activities are already included in the program. The program has funded rental energy conservation proposals from Fridley and St. Louis County. The program has funded community utility partnerships in 28 communities involving regulated utilities required to participate in the Conservation Improvement Program overseen by the Minnesota Public Utilities Commission, municipal utilities, rural electric cooperatives, and propane suppliers. Finally, although Minneapolis is using the term "innovative energy grants" as a catchall to cover all activities not specified in its other proposed grant categories rather than in a manner consistent with its usual definition, many of the projects funded under the program have truly been innovative ideas never before offered in Minnesota communities. In addition, it is not reasonable to require three application forms when one has proven adequate to date.

The department believes that the purposes Minneapolis wants Exxon community energy initiatives to accomplish are already in place in the current program. The department believes that an examination of the following summary of projects funded since the program began demonstrates conclusively that the existing rules allow for funding the types of activities requested by the City of Minneapolis, and also by the City of St. Paul and Mr. Robert Nevitt of the St. Paul Energy Resource Center, who requested that the program allow demonstration projects.

The community energy council grant program has funded demonstration projects in Wolverton to demonstrate the energy efficiency potential in a new fire hall to the rest of the community, in Shakopee and Winona County relating to recycling and in Red Wing demonstrating shared savings and solar energy use. The program has funded rental energy conservation proposals from Fridley and St. Louis County. The program has funded community utility partnerships in many communities involving regulated utilities required to participate in the Conservation Improvement Program overseen by the Minnesota Public Utilities Commission, municipal utilities, rural electric cooperatives, and propane suppliers. Finally, although Minneapolis is using the term "innovative energy grants" as a catchall to cover all activities not specified in its other proposed grant categories rather than in a manner consistent with its usual definition, many of the projects funded under the program have truly been innovative ideas never before offered in Minnesota communities.

Given these features of the program, Minneapolis' proposed rewrite of significant portions of the rules is not needed to accomplish either the city's, the task force's or the department's goals for the Exxon community energy initiatives funds. Given that the program can meet the city's goals within its present structure, the city's insistence that the rules identically mirror its task force positions is not reasonable.

The summary of program grants follows:

PROJECT SUMMARY

COMMUNITY ENERGY COUNCILS

City, Grant Award	Program Summary
Zumbrota	Zumbrota will conduct a $26,920 program to install weatherization materials in the homes of 130 senior citizen, handicapped and low/moderate income families. Energy audits will also be provided to 125 households and the city will establish an energy office to serve as a single source of information for Zumbrota residents. Funds have been secured from the city, Peoples Natural Gas and NSP.
Plymouth, St. Louis Park, Tonka Bay	Plymouth, St. Louis Park, and Tonka Bay plan a $79,480 program to serve 150 low- and moderate-income households with "House Doctor" visits. During the home visit a qualified technician installs materials to reduce heat leaks. The cities will also hold an energy management workshop for 125 local merchants. Contributions have been secured from the West Hennepin Human Services Council and Minnegasco.
Hutchinson	Hutchinson will operate a $79,420 small-business energy program with funds from the city, Hutchinson Utilities, and service fees. Workshops, consultations, walk-through audits, in-depth engineering audits, and loans will be provided to 150 businesses. The city proposes to establish a business energy conservation loan fund using available balances in the city's tax increment fund.
Lancaster	Lancaster plans a $35,440 program with funds from the city, the school district, Land-O-Lakes Propane, and Ottertail Power. Lancaster will: 1. provide Home Energy Check-ups and furnace inspections to 150 homes, 2. provide consultations and energy audits to 25 businesses, 3. convert street lights to energy efficient models and make energy efficiency improvements in all city operations, 4. implement energy improvements in school buildings and promote the community energy program through the schools, and 5. conduct workshops in wood-burning safety.

Wolverton

Wolverton plans a $20,840 program with funds from the community and NSP. The program will use the construction of a new energy efficient fire hall as a focus for a community energy program. Energy audits will be provided to businesses, workshops on super-insulation, low-cost conservation techniques and window treatments will be offered and an open house will be held when the fire hall is completed to demonstrate its energy efficiency features. The city will develop a community energy profile and energy plan with assistance from Moorhead State University.

Houston

Houston plans a $58,220 program with funds from the city, Peoples Natural Gas and Tri-County Electric Coop. The program will inspect each furnace in the community and provide an energy audit to every residence and selected businesses. The program will conduct neighborhood energy workshops, distribute weatherization materials, and promote electric load management. Energy education curriculum will be added to 5th, 6th, 11th, and 12th grade classes, and a municipal energy plan will be developed.

Eden Prairie

Eden Prairie will operate an $8,700 project to improve the Eden Prairie rideshare program to serve at least 800 commuters. The program will be targeted to major employers and marketing will be expanded. The program is partially funded and operated by the Chamber of Commerce.

New Germany

New Germany will conduct an $84,549 program with funds from NSP, Carver County, MHFA, and Farmers Home. The program will provide energy audits and weatherization kits to 94 low- and moderate-income homeowners and renters. The program will match each household with an appropriate financing source for major weatherization improvements.

St. Louis County

St. Louis County will begin a $39,853 program with funds from Arrowhead Economic Opportunity Agency and its Rental Rehab Loan Program. The county will:

1. provide at least 30 multi-family building energy audits each including feasibility analysis for converting to wood pellets;
2. inform at least 400 residential rental property owners current conservation financing programs and the energy efficiency standards for rental units;
3. document and assess the need for a public/private partnership to address the need for conservation improvements in the multi-family sector;
4. develop an approach to better enforce the rental energy efficiency standards in St. Louis County; and
5. develop at least one new multi-family conservation financing program.

Circle Pines

Circle Pines is offering a $28,000 program with $11,500 coming from their municipal utility. Circle Pines is providing residential audits to 225 homes, providing outreach to low-income and elderly residents, and promoting local recycling projects and bus ridership.

Chisago-Isanti

These two counties are delivering a comprehensive $61,200 program consisting of:

1. 11 residential energy workshops,
2. 8 commercial energy workshops,
3. the inclusion of comprehensive energy conservation activities in CDBG applications from the region, and
4. the design of a shared savings program.

This joint Energy Council has financial support from three investor-owned utilities, two electric co-ops, three LPG dealers, and one fuel oil jobber.

Brainerd

Brainerd is conducting a $71,500 program with substantial support from Minnegasco and the municipal electric utility. Brainerd will:

1. provide home energy check-ups to 500 residents with hands-on instruction and the installation of weatherization kits,
2. organize a car care clinic for 100 vehicles,
3. organize a commercial energy workshop for 100 main street merchants, and
4. develop an energy survey to gather energy data to support future program development.

Hawley

Hawley is conducting a $23,750 program with funding from the municipal electric utility and the Northern Municipal Power Agency. Hawley is offering:

1. 150 residential audits,
2. 25 commercial audits,
3. a workshop for mobile home residents with free weatherization materials, and
4. an incentive and promotion program to finance dual fuel conversions with a shared savings approach.

Fosston

Fosston has designed a $168,000 program using Small Cities Development Grant funds and support from the municipal electric utility, the Northern Municipal Power Agency, and Inter-County Community Council. Fosston is:

1. conducting 200 residential audits,
2. conducting 50 commercial audits,
3. providing dual-fuel incentives for 20 all electric home and
4. providing low-interest energy loans to 30 property owners.

Benson

Benson is conducting a $47,000 program with funding from the city, the municipal electric utility and Minnegasco. Benson will provide a "Home Energy Check-up" to 375 residents The Check-up includes:

1. a practical energy audit,
2. installation of free weatherization materials,
3. hands-on weatherization instruction,
4. a consultation about conservation priorities, and
5. client follow-up.

One hundred of the participants will be low-income and/or elderly clients who will receive additional weatherization assistance and materials.

Preston

Preston is conducting a $33,000 program with funding from the city and Peoples Natural Gas. Preston is:

1. providing audits, kits, instruction and follow-up to 30 households; and
2. establishing a curbside recycling program with 300 participating households.

Spring Lake Park

This community designed a $60,500 program with funding from NSP and the North Central Public Service Co. Projects include:

1. neighborhood energy workshops for 500 residents,
2. energy audits for 300 residents,
3. rideshare promotion, and
4. a pilot recycling program for 600 households.

Crookston

Crookston began a $25,700 program with funding from Crookston Jobs, Inc. (a non-profit economic development corporation), the state, and the city. The Crookston program includes:

1. designing a Crookston energy policy, focusing on fiber fuels and the municipal ownership of renewable energy systems;
2. organizing energy workshops and promoting audits;
3. providing technical assistance to suppliers and users of fiber fuels and other renewable resources; and
4. planning and promoting car pooling and mass transportation.

Moorhead

Moorhead, in conjunction with Moorhead State University, designed a $17,000 comprehensive energy-use survey and an energy policy planning study. Moorhead used the results to adopt a community energy policy to design and implement future programs.

Fridley

Fridley initiated a $56,000 project. Minnegasco committed $40,000 for residential weatherization as part of a "House Doctor" program for low-income residents. In addition, Fridley offers:

1. neighborhood energy workshops,
2. promotion of MHFA Rental Rehabilitation loans,
3. promotion of MHFA Home Improvement loans, and
4. promotion of Rideshare.

Rochester

Rochester began a $96,700 program with funding from Peoples Natural Gas, Rochester Public Utilities, the Rochester Area Vo-Tech, and the city. The program includes:

1. the establishment of an energy office,
2. a senior citizen house doctor program to install weatherizaion kits in the homes of 400 elderly residents,
3. a car clinic,
4. residential energy audit promotion, and
5. Small-Business Energy Workshops.

Winona County

Winona County designed a $52,055 program to expand current curbside recycling in St. Charles, Lewiston, Winona, and Goodview. The CEC grant allowed recycling to begin at 19 multi-family buildings.

N.W. Regional Dev. Comm.

This project was submitted by a consortium of seven counties Kittson, Marshall, Norman, Pennington, Polk, Red Lake, and Roseau. Objectives include:

1. complete county energy profiles,
2. complete energy profiles on 30 cities,
3. help organize CEC's,
4. complete district heating feasibility studies for 10 communities,
5. provide fiber fuel technical assistance, and
6. work with utilities to perform conservation programs.

Red Wing

Red Wing has a $54,000 program with funding from the state, NSP, local CAP agency, and the city. The program includes:

1. residential weatherization,
2. shared-savings demonstration project on five city buildings,
3. "Energy Awareness Week," and
4. a solar hot water demonstration project.

Aurora

Aurora conducted a $58,000 program with funding from the state, Minnesota Power, Inter-City Gas, the local CAP agency, and the city. The program includes:

1. neighborhood energy workshops covering the entire city,
2. distribution of weatherization kits to all participants
3. residential energy audits, and
4. follow-up visits to all participants to encourage conservation investments.

Worthington

Worthington designed a $162,000 program with funding from the state, Peoples Natural Gas, and the city. The budget includes $100,000 of MHFA Energy Loan funds. The program will provide home energy audits to 500 residents, distribute weatherization kits to participants, and vigorously market the loan monies.

South St. Paul

South St. Paul operates a $56,000 program with funding from the state, NSP, and the city. REAP (the Residential Energy Action Project) will attract 1,000 residents to neighborhood energy workshops, provide weatherization kits, home energy audits, and follow-up contacts.

Duluth

Duluth used the state grant to plan for the expenditure of over $300,000 in city funds. Weatherization, super-insulation, wind, and furnace conversion activities are being designed.

Hastings

Hastings has a $76,000 program with funding from the state, NSP, Minnegasco, and the city. The program offers neighborhood energy workshops, weatherization kits to residents, and home energy audits.

Shakopee

Shakopee designed a $9,078 program using city and state funds. The program tested solid waste abatement and recycling activities for three neighborhoods. Volunteer groups and businesses participated, and the program has since expanded.

Richfield

Richfield began a $326,000 program with funding from the state, NSP, Minnegasco, and the city. The program includes a "House Doctor" project, a shared-savings project, neighborhood energy workshops, weatherization kits, and residential energy audits.

New Ulm

New Ulm started a $41,000 program with funding from the municipal utility and the state. The program includes:

1. neighborhood energy workshops,
2. distribution of weatherization kits,
3. distribution of energy conservation literature to all New Ulm households,
4. residential audits, and
5. promotion of Minnesota Rideshare and the Brown County Transportation System.

Mankato and North Mankato

These two cities are jointly operating a $51,000 program with funding from NSP, both cities, and the state. Joint activities include:

1. ten neighborhood energy workshops, weatherization kit distribution, and residential energy audits;
2. in-service energy training for 22 elementary school teachers;
3. "Energy Week";
4. four small-business weatherization demonstrations;
5. the utilization of volunteers to weatherize seniors' homes; and
6. the production of twelve 30-minute T.V. energy conservation programs.

Mankato will establish energy accounting for 26 municipal buildings and print and distribute a Mass Transit Users Guide North Mankato will conduct a feasibility study for an energy efficient addition to the municipal building.

Winona

Winona began a $74,000 program with funding from the state, NSP, the local CAP, and the city. The Winona program includes:

1. neighborhood energy workshops,
2. distribution of weatherization kits to participants,
3. residential energy audits,
4. follow-up consultations with participants, and
5. mini-workships on specific topics.

Mounds View and Blaine

These two cities managed a $120,000 program with funding from NSP; the local CAP; Ramsey Action Programs, Inc.; Minnesota Rideshare; both cities; and the state. The Mounds View program included:

1. making energy workshops, weatherization kits, and audits available to all residents;
2. free evening energy seminars; and
3. energy education activities in conjunction with primary and secondary educators.

The Blaine program included:

1. community education to encourage energy code enforcement;
2. encouragement of energy-efficient community planning and zoning;
3. workshops, kits, and audits;

4. Minnesota Rideshare promotion; and
5. promotion of bicycle paths.

The city of Minneapolis proposed to delete all requirements for local match from the program while at the same time highlighting a proposed new category of grant for "community/utility partnerships." This approach was supported by Dale Sullivan of the cities of Hastings and Spring Lake Park. Following the comments of Sheldon Strom of Minneapolis and Dale Sullivan on the subject of local match, Quentin Crouch of Rochester commented that Rochester might have difficulty with local match. It was apparent at the St. Paul meeting where these comments were made that each of these speakers believes that the program requires that local match be a direct contribution of an applicant from its local government treasury. If this were the only source of local match allowable under the program the department would share the speakers' concerns. The speakers are mistaken, however, for in fact the program allows applicants to count as local match any cash or in - kind commitments they can secure for their proposed activities. This feature of the program was designed in part to encourage communities to seek involvement in just the kind of community/utility partnerships that the city of Minneapolis also wants the program to encourage. The department has previously pointed out that a review of projects funded to date demonstrates that community/utility partnerships have flourished under the existing rules. In addition communities have secured local match from many other sources. Examples include school districts, universities, chambers of commerce, community action agencies,

fuel oil jobbers, regional development commissions, nonprofit and community organizations, the Minnesota Housing Finance Agency, the Minnesota Department of Transportation, and Area Vocational Technical Institutes. The excerpt below from the program's application form illustrates that the department provides space in the application for applicants to include more than one source of local match. Given that the current local match feature of the program already accommodates the concerns expressed, the department believes deleting it is not needed.

APPLICATION FOR COMMUNITY ENERGY COUNCIL GRANT
FY 87 - Cycle 1

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1.7 Proposed Funding:

a. Community Energy Council Grant Funds Request _____
b. Local Match

Source	Indicate whether Cash or In-Kind	Amount
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Local match total _____

TOTAL PROPOSED FUNDING _____

The city of Minneapolis proposes that applications include an estimate of energy saved per Exxon dollar spent, and that a review criteria be added so that proposed activities are evaluated on the basis of an estimate of energy savings calculated on the basis of good engineering practice. The

department believes that this change is not necessary because the current review criteria (part 4160.5500, subpart 1, item A) already include indicators of an application's potential to reduce energy use and cost. The department also believes it would be unreasonable to expect smaller communities to perform energy engineering calculations in the application phase of this grant program. It has been the department's experience that smaller communities do not have energy engineering staff available, and that these communities have often sought grant funds to hire professional energy conservation technicians. The department believes that Minneapolis's proposal would be unfair to smaller communities.

The City of Minneapolis made several suggestions it said would streamline the grant review and monitoring process. The department has proposed as amendments several of Minneapolis' suggestions, as discussed earlier in this statement. The department does not believe other of the city's suggestions to be needed or reasonable. Minneapolis states its desire to minimize the need for department staff time for review and monitoring of grants, yet the city has proposed that department staff, rather than a commissioner - appointed review committee, be allowed to review applications. The department has found that the use of a review committee contributes greatly to the quality and efficiency of the review process, and believes the addition of a staff - only review option would increase staff time required for application review. For this reason, the department believes the city's proposal is not needed or reasonable.

Minneapolis also proposes to revise the review process in part 4160.5300, subpart 2 so that the commissioner shall approve "applications meeting all the requirements of sections 4160.5100 - 4160.5900. If applications do not meet all requirements or if the total of funds requested in a grant cycle exceeds the total funds available the commissioner may return applications for amendment and subsequent resubmission." In addition to referencing the entire rules rather than only those parts germane to the application and review process, Minneapolis has retained the point scoring system and added a requirement that applications meet all its criteria. Under the scoring system applications can receive between zero and 100 points, yet the city has proposed no point total that applications must attain in order to "meet all requirements." Neither has Minneapolis provided any other definition of "meets all requirements." The department believes the city's proposal is unworkable. The city also proposed to replace the provisions under which the department returns applications to applicants for further consideration with similar language that the department believes is not needed.

Minneapolis proposes that the department establish application deadlines on a three month cycle. The department does not know and cannot assure that funds will be available every three months throughout the life of the program and therefore believes this proposal unreasonable.

Minneapolis commented that Exxon Community Initiatives programs should complement other programs and leverage other funds. The department agrees, and believes that the program rules and the information in this statement of need and reasonableness demonstrate that the program's design already accomplishes these purposes.

Minneapolis proposed to delete energy - related land use planning and alternative energy activities from the rules, stating that these activities did not save much energy and were not action oriented. Both of these activities can save large amounts of energy, and the application scoring system would likely weed out any of an applicant's proposed activities that did not save energy. Both activities are often action oriented. These activities can be an important part of a community's energy program, and the department believes their deletion would be unreasonable.

The city made a number of wording changes on its redraft of the rules to which the department has not responded. These are proposals about which the city provided no information or discussion, and which seem minor and unnecessary to the department.

The department received several recommendations from John Cornelison of the Minnesota Coalition of Bicyclists that were not received from other commenters. Mr. Cornelison suggested that several bicycling activities be specified as eligible activities. The department believes this change is not necessary

because "promotion of energy efficient transportation modes" is already an eligible activity and covers bicycling activities. Mr. Cornelison suggested that the application scoring system be changed to reduce the points available for community energy council composition and past experience and adding a category for long range cost effectiveness. The department believes these changes are not needed because the current scoring system contains a reasonable balance between the importance of community involvement in local energy programs and the importance of activities with energy conservation potential,while recognizing the experience of applicants without unduly restricting the ability of inexperienced applicants to receive a grant. To date the program has funded a mixture of experienced and inexperienced applicants. Mr. Cornelison's proposed use of the phrase "cost effectiveness of the proposed plan for reducing community energy usage over the long run." The department believes this phrase is similar enough to the rules' criteria on energy saving potential that no change is needed. Finally, Mr. Cornelison suggested that the department allow construction as an eligible activity. At least part of the construction process is likely to be ineligible under the rules' prohibitions against the purchase of equipment or real property, and the department does not believe it reasonable to provide blanket eligibility for construction as Mr. Cornelison has proposed.

Lt. Merle Heatwole of the Salvation Army submitted a written statement describing the Salvation Army's Heatshare program. Lt. Heatwole requested that Exxon Community Energy Initiatives Funds

give priority to conservation programs and utilize the private sector, that is the Salvation Army. The department believes that the application scoring system does give priority to conservation programs. The department also believes that part 4160.5500, subpart 1, item B, subitem 2, which is the application review criteria regarding applicant coordination with other energy service providers, provides a clear message to applicants that they may include private sector energy service providers such as the Salvation Army in their applications and work plans. The department believes no changes are needed in response to the Salvation Army's comments.

The city of Spring Lake Park requested that the grant program allow for funding of both new and existing community energy programs, and requested that funds be distributed in time to support fall energy programs. The department notes that the rules do not distinguish between new and existing programs. Both can be eligible for funding and no rule change is needed to meet Spring Lake Park's request. Regarding the timing of application cycles and fund distribution, the department believes no rule change is needed to allow the department to announce a grant cycle as soon as rulemaking is completed and federal approval is secured.

The city of New Ulm and the New Ulm Public Utilities Commission also requested that funds be available for existing programs, and the department believes that the rules already permit this. (This issue was also raised by the city of Lancaster) New Ulm also suggests a number of project types for inclusion as

eligible activities. Each type of project already falls within the categories of eligible activities in the rules, thus no rule changes are needed.

Ann Schaffer and Gloria Vande Brake of the Southwest Regional Development Commission recommend that funds be made available for recycling programs and for programs directed to agricultural and related businesses in Southwest Minnesota. The department notes that both recycling and business energy programs are currently eligible activities and believes no rule changes are needed to allow these types of activities.

The city of Richfield commented that "outreach and coordination activities are not specifically allowed as eligible grantee activities under section 4160.5600" and requested that they be added. The department notes that subpart 1 of part 4160.5600 begins with the introductory phrase "Planning, promotion, coordination, and implementation of the following activities are eligible for community energy council grants:" and proceeds to itemize the categories of eligible activities. The department notes that coordination is specifically included. The department believes that the term "outreach" as used by Richfield in its comment is already eligible as part of the "... promotion, coordination, and implementation" rule language noted above. The department further believes that the residential "outreach" activities described by Richfield are comparable to the information distribution activities already permitted in part 4160.5600, subpart 1, item A. The department believes no rule changes are needed to allow this type of activity.

VI. CONCLUSION

For the reasons stated above, the Department of Energy and Economic Development believes that each of the proposed amendments is reasonable to improve the administration of the financial assistance program provided in Minnesota Statutes section 116J.381 and Minnesota Rules parts 4160.5100 to 4160.5900 so that funds from the Exxon oil overcharge case can be effectively provided to Minnesota communities. It is further believed that the proposed rules are necessary to effectuate the purpose and intent of the statutory authorization.

Dated: October 4, 1986

Mark B. Dayton
Commissioner of Energy
and
Economic Development

In the Matter of the Proposed Adoption of the Rule Amendments of the State Department of Energy and Economic Development Governing Distribution of Community Energy Council Grant Funds (4160.5100 - 4160.5900)

AFFIDAVIT OF MAILING THE NOTICE OF INTENT TO ADOPT A RULE WITHOUT A PUBLIC HEARING

STATE OF MINNESOTA)
)ss.
COUNTY OF RAMSEY)

HELEN SWANSON, being sworn says:

That on the sixth day of November, 1986, at the City of St. Paul, County of Ramsey, State of Minnesota, I mailed the attached Notice of Intent to Adopt A Rule Without a Public Hearing by depositing in the State of Minnesota Central Mail System for United States mailing a copy thereof, with postage prepaid, to all persons and associations on the certified mailing list.

Helen Swanson
[Name]
Secretary
[Title]

Subscribed and sworn to before me this 6th day of NOVEMBER, 1986.

Dennis M. Devereaux

DENNIS M. DEVEREAUX
NOTARY PUBLIC-MINNESOTA
RAMSEY COUNTY
My Comm. Expires April 1, 1988

State of Minnesota

Department of Energy and Economic Development

Energy Division

In the Matter of the Proposed Adoption of the Rule Amendments of the State Department of Energy and Economic Development Governing Distribution of Community Energy Council Grant Funds (4160.5100 - 4160.5900)	NOTICE OF INTENT TO ADOPT A RULE WITHOUT A PUBLIC HEARING

Notice is hereby given that the State of Minnesota, Department of Energy and Economic Development, Energy Division, intends to adopt the above-entitled rule without a public hearing following the procedures set forth in the Administrative Procedure Act for adopting rules without a public hearing in Minnesota Statutes, sections 14.22 to 14.28. The statutory authority to adopt the rule is Minnesota Statutes, sections 116J.035, subdivision 2 and 116J.381, subdivision 4, which permit the Commissioner to adopt rules pursuant to chapter 14 as necessary to carry out his duties and responsibilities pursuant to chapter 116J, and to provide professional and financial assistance to communities to establish community energy councils and develop and implement community energy programs.

All persons have 30 days in which to submit comment in support of

or in opposition to the proposed rule or any part or subpart of the rule. Comment is encouraged. Each comment should identify the portion of the proposed rule addressed, the reason for the comment, and any change proposed.

Any person may make a written request for a public hearing on the rule within the 30-day comment period. If 25 or more persons submit a written request for a public hearing within the 30-day comment period, a public hearing will be held unless a sufficient number withdraw their request in writing. Any person requesting a public hearing should state his or her name and address, and is encouraged to identify the portion of the proposed rule addressed, the reason for the request, and any change proposed. If a public hearing is required, the agency will proceed pursuant to Minnesota Statutes, sections 14.131 to 14.20.

Comments or written requests for a public hearing must be submitted to:

Mark Schoenbaum, DEED, 900 American Center Building, 150 E. Kellogg Blvd., St. Paul, MN 55101. Oral statements will be received during regular business hours by telephone at (612) 297-3602 and in person at the above address.

The proposed rule may be modified if the modifications are

supported by data and views submitted to the agency and do not result in a substantial change in the proposed rule as noticed.

The rules proposed for adoption relate to the following matters: These rules amend the program governing the distribution of funds for community energy council grants (Minn. Rules, parts 4160.5100 - 4160.5900) in response to a three million dollar allocation from the Exxon oil overcharge case. The rules amend the application schedule and review process, increase the maximum award amount of grants, establish that a portion of funds will be reserved to fund applications submitted by cities of the first class, clarify that rental energy conservation activities are eligible activities,and amend the grant agreement contents, funding period, and disbursement schedule. A free copy of the rule is available upon request from Mark Schoenbaum, DEED, 900 American Center Building, 150 E. Kellogg Blvd., St. Paul, MN 55101, telephone (612) 297-3602.]

A Statement of Need and Reasonableness that describes the need for and reasonableness of each provision of the proposed rule and identifies the data and information relied upon to support the proposed rule has been prepared and is available from Mark Schoenbaum, DEED, 900 American Center Building, 150 E. Kellogg Blvd., St. Paul, MN 55101, telephone (612) 297-3602, upon request.

If no hearing is required, upon adoption of the rule, the rule and required supporting documents will be submitted to the Attorney General for review as to legality and form to the extent the form relates to legality. Any person may request notification of the date of submission to the Attorney General. Persons who wish to be advised of the submission of this material to the Attorney General, or who wish to receive a copy of the adopted rule, must submit the written request to Mark Schoenbaum, DEED, 900 American Center Building, 150 E. Kellogg Blvd., St. Paul, MN 55101.

October 21, 1986

Date

MARK B. DAYTON

COMMISIONER

PROPOSED RULES

Pursuant to Minn. Stat. of 1984, §§ 14.22, an agency may propose to adopt, amend, suspend or repeal rules without first holding a public hearing, as long as the agency determines that the rules will be noncontroversial in nature. The agency must first publish a notice of intent to adopt rules without a public hearing, together with the proposed rules, in the *State Register*. The notice must advise the public:

1. **that they have 30 days in which to submit comment on the proposed rules;**
2. **that no public hearing will be held unless 25 or more persons make a written request for a hearing within the 30-day comment period;**
3. **of the manner in which persons shall request a hearing on the proposed rules; and**
4. **that the rule may be modified if the modifications are supported by the data and views submitted.**

If, during the 30-day comment period, 25 or more persons submit to the agency a written request for a hearing of the proposed rules, the agency must proceed under the provisions of §§ 14.14-14.20, which state that if an agency decides to hold a public hearing, it must publish a notice of intent in the *State Register*.

Pursuant to Minn. Stat. §§ 14.29 and 14.30, agencies may propose emergency rules under certain circumstances. Proposed emergency rules are published in the *State Register* and, for at least 25 days thereafter, interested persons may submit data and views in writing to the proposing agency.

Department of Energy and Economic Development

Proposed Permanent Rules Relating to Community Energy Council Grants

Notice of Intent to Adopt a Rule without a Public Hearing

Notice is hereby given that the State of Minnesota, Department of Energy and Economic Development, Energy Division, intends to adopt the above-entitled rule without a public hearing following the procedures set forth in the Administrative Procedure Act for adopting rules without a public hearing in Minnesota Statutes, sections 14.22 to 14.28. The statutory authority to adopt the rule is Minnesota Statutes, sections 116J.035, subdivision 2 and 116J.381, subdivision 4, which permit the Commissioner to adopt rules pursuant to chapter 14 as necessary to carry out his duties and responsibilities pursuant to chapter 116J, and to provide professional and financial assistance to communities to establish community energy councils and develop and implement community energy programs.

All persons have 30 days in which to submit comment in support of or in opposition to the proposed rule or any part or subpart of the rule. Comment is encouraged. Each comment should identify the portion of the proposed rule addressed, the reason for the comment, and any change proposed.

Any person may make a written request for a public hearing on the rule within the 30-day comment period. If 25 or more persons submit a written request for a public hearing within the 30-day comment period, a public hearing will be held unless a sufficient number withdraw their request in writing. Any person requesting a public hearing should state his or her name and address, and is encouraged to identify the portion of the proposed rule addressed, the reason for the request, and any change proposed. If a public hearing is required, the agency will proceed pursuant to Minnesota Statutes, sections 14.131 to 14.20.

Comments or written requests for a public hearing must be submitted to:

Mark Schoenbaum, DEED, 900 American Center Building, 150 E. Kellogg Blvd., St. Paul, MN 55101. Oral statements will be received during regular business hours by telephone at (612) 297-3602 and in person at the above address.

The proposed rule may be modified if the modifications are supported by data and views submitted to the agency and do not result in a substantial change in the proposed rule as noticed.

The rules proposed for adoption relate to the following matters: These rules amend the program governing the distribution of funds for community energy council grants (Minn. Rules, parts 4160.5100-4160.5900) in response to a three million dollar allocation from the Exxon oil overcharge case. The rules amend the application schedule and review process, increase the maximum award amount of grants, establish that a portion of funds will be reserved to fund applications submitted by cities of the first class, clarify that rental energy conservation activities are eligible activities, and amend the grant agreement contents, funding period, and disbursement schedule. A free copy of the rule is available upon request from Mark Schoenbaum, DEED, 900 American Center Building, 150 E. Kellogg Blvd., St. Paul, MN 55101, telephone (612) 297-3602.

A Statement of Need and Reasonableness that describes the need for and reasonableness of each provision of the proposed rule and identifies the data and information relied upon to support the proposed rule has been prepared and is available from Mark Schoenbaum, DEED, 900 American Center Building, 150 E. Kellogg Blvd., St. Paul, MN 55101, telephone (612) 297-3602, upon request.

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General, or who wish to receive a copy of the adopted rule, must submit the written request to Mark Schoenbaum, DEED, 900 American Center Building, 150 E. Kellogg Blvd., St. Paul, MN 55101.

Dated: 21 October 1986

Mark B. Dayton, Commissioner
Department of Energy and Economic Development

Rules as Proposed

COMMUNITY ENERGY COUNCIL GRANTS

4160.5100 DEFINITIONS.

Subpart 1. **Scope.** For purposes of parts 4160.5200 to 4160.5900, the following terms have the meaning given them.

Subp. 2. **Commissioner.** "Commissioner" means the commissioner of the Department of Energy and Economic Development.

Subp. 3. **Community energy council.** "Community energy council" means a council, committee, board, or other body formed by a city or county, individually or through the exercise of joint powers agreements, to address local energy issues.

Subp. 4. **Department.** "Department" means the Department of Energy and Economic Development.

Subp. 5. **Eligible applicant.** "Eligible applicant" means a Minnesota city or county.

4160.5200 PURPOSE.

Parts 4160.5100 to 4160.5900 establish the method by which the department provides funds to Minnesota cities and counties in support of community energy council activities, as authorized by Minnesota Statutes, section 116J.381.

4160.5300 GRANT PROGRAM.

Subpart 1. **Application schedule.** After announcement by the department in the *State Register*, the department shall accept applications for community energy council grants from cities and counties, individually, collectively, or through the exercise of joint powers agreements. All available funds shall be announced at the beginning of each grant cycle. No applicant may apply for more than one grant per cycle. The department shall consider for funding only applications received by the deadline announced in the *State Register*.

Subp. 2. **Review process.** The commissioner shall select the members of a committee to assist ~~him or her~~ the commissioner to review and rank applications. The review committee shall score applications according to criteria in part 4160.5500 and transmit its recommendations to the commissioner. The commissioner shall approve, disapprove, or return for further consideration applications recommended by the committee. The department must complete its review and inform applicants of its decision within 45 days of the application deadline. Upon approval by the commissioner, a grant agreement may be negotiated with the department in accordance with part 4160.5800.

Subp. 3. **Maximum award amount.** The maximum amount of a community energy council grant to an individual applicant other than cities of the first class is ~~$15,000~~ $30,000 for the first year and $15,000 for the second year and requires at least a ten percent local match. The maximum amount of a community energy council grant to a joint application for the first year is ~~$15,000~~ $30,000 for the first applicant and ~~$12,000~~ $24,000 for each additional applicant up to a maximum of ~~$50,000~~ $80,000, and requires at least a ten percent local match. The maximum amount of a community energy council grant to a joint application for the second year is $15,000 for the first applicant and $12,000 for each additional applicant up to a maximum of $48,000, and requires at least a ten percent local match.

Subp. 4. **Cities of the first class.** When the department announces the availability of new grant funds in the State Register, the department shall announce that a portion of the funds is reserved to fund applications submitted by cities of the first class. The portion reserved for applications submitted by cities of the first class shall equal the percentage of available funds equal to the percent of the state population constituted by cities of the first class. The department shall calculate the percent of the population constituted by cities of the first class using the most recent population figures available from the Office of the State Demographer or the United States Bureau of the Census, whichever is most recent. If the review committee awards its application an average

KEY: PROPOSED RULES SECTION — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." ADOPTED RULES SECTION — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

score of at least 80 points according to the criteria in part 4160.5500, a city of the first class will be eligible for a grant amount equal to the percent of available funds that equals the city's percentage of the state population.

4160.5400 APPLICATION FOR COMMUNITY ENERGY COUNCIL GRANT.

Subpart 1. **Form.** Applications must be submitted in a form prescribed by the department.

Subp. 2. **Contents.** Applications must contain the following information:

A. Documentation of the existence of a community energy council must include a copy of the resolution of the governing body establishing a community energy council, and a list of members appointed by the governing body to serve on the community energy council, including the members' relevant affiliations, if any.

B. Applicants shall include a work plan that explains how the applicant intends to undertake program planning and implementation during the grant period. Applicants shall specify major tasks to be undertaken and a project schedule that includes beginning and ending dates for each task. The expected results or product of each task must be identified.

C. The budget must identify major expenditure categories and amounts and the amount and source of the local match.

D. Applicants shall submit a copy of the resolution or resolutions that authorize the submission of the application to the department.

4160.5500 EVALUATION OF GRANT APPLICATION.

Subpart 1. **Criteria.** The review committee shall evaluate grant applications according to the following criteria:

A. Community energy councils must include representatives of labor, small business, volunteer organizations, senior citizens, and low and moderate income residents, and may include city and county officials, and other interested parties.

B. A work plan will be evaluated to determine its potential to reduce energy use and energy costs in the applicant community. Positive indicators of this potential are:

(1) a work plan that implements one or more eligible activities as listed in part 4160.5600, subpart 1, during the grant period;

(2) a work plan that demonstrates how the applicant will coordinate activities undertaken with community energy council grant funds with activities of other energy service providers, including cities and counties; or

(3) a work plan that indicates efforts that are underway or planned to secure funds in addition to a community energy council grant for project implementation.

C. Past or current experience in conducting energy-related community programs will be considered by the review committee as an indicator of the applicant's capability in this area and commitment to energy programs.

D. A grant application must be clear, concise, and complete.

Subp. 2. **Point values for applications.** The review committee shall award points to each application as follows:

A. representation of community energy council membership, up to a maximum of 35 points;

B. adequacy of applicant work plan, up to a maximum of 40 points;

C. energy-related program experience, up to a maximum of 15 points; and

D. clarity, conciseness, and completeness, up to a maximum of ten points.

4160.5600 CLASSIFICATION OF ELIGIBLE AND INELIGIBLE GRANTEE ACTIVITIES.

Subpart 1. **Eligible activities.** Planning, promotion, coordination, and implementation of the following activities are eligible for community energy council grants:

A. Residential energy conservation activities may include energy audits, workshops, distribution of energy conservation materials and information, and financing programs.

B. Rental energy conservation activities include energy audits, workshops, distribution of energy conservation materials and information, enforcement of rental energy efficiency standards, and financing programs. Tenants and rental property owners are eligible beneficiaries of rental energy conservation activities.

C. Business energy conservation activities may include meetings and workshops, energy audits, distribution of energy conservation materials and information, and financing programs.

~~C.~~ D. Transportation energy conservation activities may include car-care clinics, promotion of energy efficient transportation modes, and traffic flow synchronization.

~~D.~~ E. Community energy planning activities may include development of community energy use and cost profiles and estimates of energy conservation and alternative energy potentials.

~~E.~~ F. Local government energy conservation activities may include energy use and cost accounting, fleet management, procurement of energy efficient vehicles and equipment, and recycling.

~~F.~~ G. Energy efficient land use planning activities may include developing and amending comprehensive plans and zoning ordinances, subdivision regulations, and other land use controls to facilitate energy efficient development and the use of renewable energy resources.

~~G.~~ H. Alternative energy activities may include projects the objective of which is the substitution of alternative energy sources for fossil fuels.

Subp. 2. **Ineligible activities.** The following activities are ineligible for community energy council grants:

A. projects conducted outside a grantee's corporate boundaries by the grantee alone; and

B. real property acquisition.

4160.5700 CLASSIFICATION OF ELIGIBLE AND INELIGIBLE GRANTEE EXPENDITURES.

Subpart 1. **Eligible grantee expenditures.** The following are eligible grantee expenditures:

A. salaries and wages;

B. fringe benefits;

C. in-state travel;

D. space rental and utilities;

E. rental and lease of equipment;

F. consumable supplies;

G. telephone;

H. postage;

I. printing and printed materials; and

J. insurance.

Subp. 2. **Ineligible grantee expenditures.** The following are ineligible grantee expenditures:

A. out-of-state travel, unless specifically approved in an agreement between the grantee and the department;

B. purchase of real property;

C. purchase of equipment, except consumable supplies; and

D. retroactive payment of grant funds for activities undertaken prior to the effective date of the grant agreement.

4160.5800 GRANT AGREEMENT.

Subpart 1. **Contents.** An agreement must specify the grant amount and the duration of the grant. The agreement must include assurance that the local share will be provided ~~and~~, that the work program agreed upon will be carried out and that the grantee will use all interest earned on grant funds for eligible purposes consistent with the grant agreement. A grant agreement based upon a joint application must be executed by the applicant city or county that will be directly responsible for financial management of the grant, and that will be responsible for the required reports in part 4160.5800, subpart 4, and the records required in part 4160.5800, subpart 5. Amendments and extensions may only be made in writing and must be signed by all parties.

Subp. 2. **Funding period.** Grants will be approved for a period of up to one year, unless other terms are agreed to by the commissioner. Grants will be approved for a second year if the first year work plan has been completed or if the grantee has made substantial progress towards completion of the first year work plan, as determined by the commissioner.

Subp. 3. **Disbursement schedule.** Funds will be disbursed according to the procedures contained in items A and B:

A. For grants equal to or less than $40,000, the department shall disburse 80 percent of the grant money when it receives

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an invoice of projected costs. The department shall disburse the remaining 20 percent when the grantee work program is complete and the department receives a satisfactory final report.

B. For grants greater than $40,000, the department shall disburse ten percent of the grant amount when it receives an invoice requesting disbursement. Following the initial disbursement, the department shall reimburse grantees quarterly for actual expenses incurred during the preceding three months when the grantee submits an invoice and a financial statement documenting these expenses, until 90 percent of the grant amount has been disbursed. The department shall disburse the remaining ten percent when the grantee work program is complete and the department receives a satisfactory final report.

Subp. 4. **Required reports.** The grantee shall submit to the department on the first of each month a one to two page report briefly stating the activities that have taken place during the month. The grantee shall provide the department with three copies of a final report and financial statement, describing all activities that took place during the grant period. The final report must summarize planning and implementation steps in chronological order and identify all parties involved during the grant period.

Subp. 5. **Records.** The grantee shall maintain financial records according to generally recognized accounting methods for a period of not less than three years from the date of the execution of the contract of all transactions related to the receipt and expenditure of grant money.

Subp. 6. **Grant agreement deviations.** Unless the grantee demonstrates to the department that the grantee's circumstances have changed since execution of the grant agreement to such an extent that a deviation is necessary to complete the agreed upon work program, no grant funds may be used to finance activities by consultants or local staff if the activities are not included in the grant agreement. A grantee may not contract out all its energy-related activities to consultants unless the grantee demonstrates to the department that such contracting is necessary to complete the work program.

4160.5900 GRANT CLOSE-OUT.

Subpart 1. **Evaluation.** The department shall conduct an evaluation of the final report and all the required reports and financial documents within 60 days of their submission by the grantee to the department. The evaluation shall assess:

A. whether the local share contributed was equal to or greater than ten percent of the total cost of the agreed upon work program;

B. whether the agreed upon work program was completed; and

C. whether the governing body has formally reviewed the completed final report.

Subp. 2. **Review.** Upon completion of a satisfactory evaluation by the department, the department shall disburse the remaining ~~20 percent of the grant~~ amount owed to the grant recipient. If the results of the evaluation are unfavorable to the grantee and the grantee does not agree with the findings of the evaluation, the grantee may request a review by the commissioner.

STATE OF MINNESOTA

DEPARTMENT OF ENERGY AND ECONOMIC DEVELOPMENT

ENERGY DIVISION

In the Matter of the Proposed Adoption of Rules Governing Distribution of Community Energy Council Grant Funds (4160.5100-4160.5900)	FINDINGS OF FACT CONCLUSIONS, AND ORDER ADOPTING RULE WITHOUT PUBLIC HEARING

Notice of the Commissioner's intent to adopt the above-entitled rule was published in the State Register on November 10, 1986 and was sent by United States mail to all persons on the list maintained by the agency pursuant to Minnesota Statutes, sections 14.14, subdivision 1a and 14.22 on November 6, 1986. The statement of need and reasonableness was prepared before the notice of intent to adopt a rule without a public hearing was mailed to all persons on the rulemaking mailing list and published in the State Register and was available to the public.

All persons were given the opportunity to submit comment on the rule for 30 days after notice of proposed rulemaking. The agency received one request for a public hearing. Therefore, the agency did not receive request for a public hearing from 25 or more persons.

Six submissions or comments on the rule were received by the agency that have not been previously discussed in the statement of need and reasonableness. No requests for notice of submission to the attorney general were received by the agency.

Based on the comments and evidence in the record before the agency, I find the following:

1. Department Response to Comments

A. The City of Circle Pines commented that "a two or three year program would provide for adequate planning and provide for time to replace existing money with new money." The city maintains that the program "needs a second round to ensure that the seed of the first year has a chance to make it into the community in a broad sense." The department agrees. The department discussed the need for funding beyond one year in the statement of need and reasonableness, and added a second year of funding in its proposed rules. Although the department does not believe it has sufficient resources to extend funding to a third year, the department believes its proposed second year of funding is a reasonable response to the comment of Circle Pines and previous commenters on this issue.

B. Several commenters requested that the rules be amended to allow nonprofit organizations and agencies to become eligible applicants and apply for funds directly. The Citywide Advisory Committee on Home Improvement Education of the Minneapolis Public Schools (CACHIE), the Self Reliance Center, and the West Hennepin Human Services Planning Board each made this request in a slightly different manner. West Hennepin Human Services Planning Board requested a public hearing on this issue. Although the department recognizes the contribution that nonprofit organizations make to community energy programs, the department believes this request is not needed or reasonable for two reasons.

First, the department believes that it does not have statutory authority to provide funds directly to entities that are not cities or counties. Minnesota Statutes 116J.381, subdivisions 2 and 4, authorizes "cities and counties, individually or through the exercise of joint powers agreements" to create community energy councils and authorizes the department to provide "financial assistance to communities to establish community energy councils and implement community energy programs ...." The department believes the statute limits the department's ability to provide direct financial assistance via this program to cities and counties only.

Second, the department does not believe it is necessary to provide direct financial assistance to nonprofit organizations in order for nonprofits to participate and for grantee programs to benefit from the participation of nonprofits. To date the program has had broad participation from nonprofit organizations. Representatives of nonprofit organizations often serve as members of community energy councils as representatives of one of the required membership categories required by statute and rule: labor, small business, voluntary organizations, senior citizens, and low and moderate income residents.

Grantees have also frequently contracted out parts of their work program to nonprofit organizations, a procedure under which both the West Hennepin Human Services Planning Board and the Self Reliance Center have participated. Other nonprofit contractors involved in grantee programs have included Community Action Agencies, a Chamber of Commerce, a university, a school district, senior citizen groups, regional development commissions, AVTI's and several other nonprofit organizations.

All three commenters on this issue hint at the sometimes cumbersome nature of the citizen participation and local government involvement that is central to the program. The department notes that the Minnesota Statute 116J.381 begins with the introduction "The legislature finds that community based energy programs are an effective means of implementing improved energy practices." The department believes that grantees' successes since the program began have proven this finding to be true, and must resist the suggestion to provide direct funding to

organizations that may not entirely share the community-wide perspective of the local government or a broadly representative community energy council.

C. The Citywide Advisory Committee on Home Improvement Education of the Minneapolis Public Schools (CACHIE) commented on its desire to use grant funds for an energy staff person, and submitted a proposal and a budget for energy information and education activities. CACHIE commented that it is concerned about how it might fare in a local competition with the City of Minneapolis Energy Office for a share of the City's community energy council grant. CACHIE requested that it either be allowed to receive a grant directly or that an amount to fund its proposal be added to the City's allocation. (The department's response to the issue of direct grants to nonprofits has been discussed above.) CACHIE stated that it does not think that the amount available to the City of Minneapolis would be adequate to support both the City Energy Office and CACHIE.

The department can understand CACHIE's concerns. The department believes, however, that the arena of city and county government is the proper forum for decisionmaking on the specific activities and budgets to be proposed in community energy council grant applications. The department also believes that its proposed award amounts are equitable, and it would not be reasonable to add funds to a community's grant in excess of the sums available under the proposed rules.

D. The Self Reliance Center (SRC) submitted several comments in addition to its request that nonprofits become eligible applicants, most of which parallel, repeat, and support the comments received earlier from the City of Minneapolis. SRC's comments regarding the length of rulemaking, multi-year grants, types of grants, and size of grants are almost identical to those of Minneapolis. The department discussed these issues in the statement of need and reasonableness and will not repeat that discussion here.

SRC's comments regarding a "streamlined review and monitoring process" are also similar to those of Minneapolis. SRC goes beyond Minneapolis in recommending that reporting requirements be changed from monthly to "quarterly or biannual." The department believes this change is not necessary. The rules include a requirement for grantees to "submit to the department on the first of each month a one to two page report briefly stating the activities that have taken place during the month." (Minn. Rules 4160.5800, subpart 4.) None of the 35 grantees to date have expressed the view to the department that this requirement is a burden to them. Several have told the department that this report is of a convenient length and frequency, noting that supervisors, energy councils, city councils and other funders have similar reporting requirements that the state report conveniently satisfies.

SRC expresses concern over what appear to it to be roadblocks to contracting for services in the rules and requests that the rules be changed to encourage or require local governments to contract for services. In part 4160.5800, subpart 6, the rules state that a grantee may not contract out all its energy related activities to consultants unless the grantee demonstrates to the department that such contracting is necessary to complete the work program. This provision provides the department reasonable oversight and approval of grantee use of consultants and contractors. Revision of this language is not necessary, as the requirement has not restricted grantees' ability to use nonprofit subcontractors like SRC. As discussed in department response 1.B. above, subcontractors have frequently been engaged by grantees through this program.

E. The Duluth Community Energy Council requested that communities be given the responsibility and initiative to develop programs that best fit each locality, rather than having programs imposed from the state level. The department agrees, and believes the proposed rules accomplish these purposes. The proposed rules set parameters inside which communities have much flexibility to design their own programs. The department believes the variety evident among the programs funded to date makes clear the local flexibility provided by the program. (A summary of funded projects is contained in the statement of need and reasonableness.)

The Duluth Community Energy Council also stated its concern "that funds be focused on where they will have the maximum impact," that is, on program implementation. The department believes that the high number of scoring points (40 out of 100) available to the application evaluation criteria relating to a work plan's potential to reduce energy use and cost (Mn. Rules 4160.5500, subpart 1, item B), assures that the impact of a proposed project's implementation will be adequately considered.

F. The Arrowhead Regional Development Commission (ARDC) requested that the rules be amended to lengthen the grant period to two years and increase the maximum award to $30,000 to accompany the longer time period. The department's proposed amendments include the two year grants requested by ARDC and exceeds the maximum award amount suggested by ARDC. The department discussed the need for and reasonableness of its proposals in the statement of need and reasonableness, and believes the proposed rules are a reasonable response to the comments of ARDC.

2.No changes need to be made to the rule as proposed.

3. The above-captioned rule is needed and reasonable.

NOW, THEREFORE, IT IS ORDERED that the rule identified as Rules Relating to Community Energy Council Grants (Minnesota Rules 4160.5100 - 4160.5900) is adopted this 15 day of December, 1986, pursuant to authority vested in me by Minnesota Statutes, section 116J.035, subdivision 2.

Mark B. Dayton

MARK B. DAYTON

COMMISSIONER OF ENERGY
AND
ECONOMIC DEVELOPMENT

STATE OF MINNESOTA

DEPARTMENT OF ENERGY AND ECONOMIC DEVELOPMENT

ENERGY DIVISION

In the Matter of the Adoption of Rule Governing Distribution of Community Energy Council Grant Funds (4160.5100-4160.5900)

DECLARATION OF COUNSEL

I, Elizabeth Cutter, Special Assistant Attorney General, do hereby declare that I have examined the above-captioned rule, and the supporting rulemaking record, and that, based on my examination, the Administrative Procedure Act and Minnesota Rules, chapter 2010 have been followed. For Attorney General billing purposes, the four-digit docket client code is 0418.

Special Assistant
Attorney General

Date: December 12, 1986

Department of Energy and Economic Development Energy Division

Announcement of Public Meetings to Solicit Outside Opinion Regarding Proposed Amendments to Rules Governing Community Energy Council Grants to Govern the Distribution of Oil Overcharge Funds for Community Energy Initiatives Grants

Notice is hereby given that the Department of Energy and Economic Development, Energy Division (DEED) is holding a series of public meetings to obtain information or opinions from sources outside the agency in preparing to promulgate amendments to rules governing Community Energy Council Grants (Minn. Rules, parts 4160.5100-4160.5900) to govern the distribution of oil overcharge funds for community energy initiatives grants.

Minnesota received $36 million as a result of a federal court action against the Exxon Corporation. Exxon was assessed a $2.1 billion penalty for pricing violations during the period from 1973 to 1981 when federal price controls were in effect.

Three million dollars has been allocated by the Governor to community energy initiatives to support locally planned energy conservation programs. DEED's current Community Energy Program has provided grants to communities to help local leaders plan and conduct locally-designed programs. Projects have included neighborhood energy workshops and home energy inspections, as well as small business energy management, rental energy conservation, and carpooling programs.

In order to provide opportunities throughout the state for interested parties to provide input to the department, DEED is scheduling a series of public meetings. The meetings will begin at 7:00 p.m. and adjourn when all speakers have been heard. All comments received will be considered in the event that amendments to the rules are promulgated. Any written material received by DEED shall become part of the rulemaking record in the event that amendments to the rules are promulgated.

The schedule of meetings is as follows:

Tuesday, September 23	Benson	Council Chambers City Hall 1411 Pacific Ave.
Wednesday, September 24	New Ulm	Public Library 19 N. Broadway
Monday, September 29	Thief River Falls	Northwest Regional Development Commission Office 525 Brooks Ave. S.
Thursday, October 2	Grand Rapids	City Council Chambers 420 N. Pokegama Ave.
Monday, October 6	St. Paul	Basement Hearing Room State Office Building 435 Park St.

For further information contact Susan Moore at (612) 296-1848.

Mark B. Dayton, Commissioner

Minnesota Energy and Economic Development Authority

Notice of Public Hearing on the Proposed Project and the Issuance of Bonds under *Minnesota Statutes*, Chapter 116M

NOTICE IS HEREBY GIVEN that the Minnesota Energy and Economic Development Authority (the "Authority"), shall meet on September 24, 1986, at 3:00 p.m. o'clock, at 900 American Center Building, 150 East Kellogg Boulevard, Saint Paul, Minnesota, for the purpose of conducting a public hearing on a proposed issue of bonds (the "Bonds") under *Minnesota Statutes*, Chapter 116M, as amended and supplemented (the "Act"), to undertake and finance a project on behalf of Jonaco Machines, Inc. (the "Company"), a Minnesota corporation and Vernon and Gail Buller (the "Principals"). Such persons as desire to be heard with reference to said issue of Bonds will be heard at this meeting.

The project to be financed consists of the construction of a new building to be located on land at Jonathan Industrial Center to be located in the City of Chaska, Carver County, Minnesota (the "Project"). The initial owner of the Project will be the Principals

MINNESOTA
Department of Energy
and Economic Development

Energy Division
Office of the Deputy Commissioner
(612) 296-5769

900 American Center
150 East Kellogg Boulevard
St. Paul, Minnesota 55101

GOVERNOR ESTABLISHES $3 MILLION EXXON COMMUNITY ENERGY INITIATIVES FUND

Governor Perpich has announced his decision on how $36 million in Exxon oil overcharge funds should be used in Minnesota.

Minnesota received $36 million as a result of a federal court action against the Exxon Corporation. Exxon was assessed a $2.1 billion penalty for pricing violations during the period from 1973 to 1981 when federal price controls were in effect.

Three million dollars has been allocated by the Governor to community energy initiatives to support locally planned energy conservation programs. DEED is presently working to establish new state rules for the dissemination of these funds.

DEED's current Community Energy Program has provided grants to communities to help local leaders plan and conduct locally-designed programs. Projects have included neighborhood energy workshops and home energy inspections, as well as small business energy management, rental energy conservation, and carpooling programs.

In order to provide opportunities throughout the state for interested parties to provide input to the department, DEED is scheduling a series of public meetings. The meetings will begin at 7:00 p.m. and adjourn when all speakers have been heard. All comments received will be considered as the department develops the program rules.

The schedule of meetings is as follows:

Tuesday, September 23	Benson	Council Chambers City Hall 1411 Pacific Ave.
Wednesday, September 24	New Ulm	Public Library 19 N. Broadway
Monday, September 29	Thief River Falls	Northwest Regional Development Commission Office 525 Brooks Ave. S.
Thursday, October 2	Grand Rapids	City Council Chambers 420 N. Pokegama Ave.
Monday, October 6	St Paul	Basement Hearing Room State Office Building 435 Park St.

The distribution recommended by the Governor is subject to final approval by the U. S. Department of Energy. In addition to $3.0 million for community energy initiatives to supplement an existing program in the Department of Energy and Economic Department, the Governor's recommendations include a variety of loan, grant, and information programs.

For further information contact Susan Moore at (612) 296-1848.

AN EQUAL OPPORTUNITY EMPLOYER

MINNESOTA
Department of Energy
and Economic Development

Energy Division
Office of Information and Technical Assistance
(612) 296-9082

Energy Information Center
(612) 296-5175 (Metro)
1-800-652-9747 Toll Free

900 American Center
150 East Kellogg Boulevard
St. Paul, Minnesota 55101

AGENDA

Public Meeting to Solicit Outside Opinion Regarding Proposed Amendments to Rules Governing Community Energy Council Grants to Govern The Distribution of Oil Overcharge Funds for Community Energy Initiative Grants

Welcome, Background Regarding Exxon Funds, and Review of Current Community Energy Council Grant Program

Mark Schoenbaum, Manager
Community Energy Technical Assistance

Public Comments, Questions and Answers

Convened by Administrative Law Judge
Office of Administrative Hearings

St Paul

PLEASE SIGN IN

NAME	REPRESENTING	Address	CHECK HERE IF YOU DESIRE TO SPEAK	SPOKE
Jerry Barnes	The Salvation Army	2830 Cedar Ave S. St Cloud	no.	X
~~Mike Heatwole~~	The Salvation Army	219 19½ Ave. N.	Yes	X
Diane Puntenney	Hastings Energy Comm	1015 W. 24st St. Hastings	Yes	X
Sheldon Strom	City of Minneapolis	330 City Hall	YES	X
Jim Ditto	City of Winona	207 Lafayette Winona	NO	
Dale Sullivan	Hastings + Spring Lk. Pk	100 Sibley St. Hastings	Yes	X
Tom Griffin	Energy Resource Ctr	427 ST CLAIR Ave ST PAUL 55102	Yes	X
Nancy Frick	St. Paul - PED	1100 cha	maybe	X
Robert Nevitt	St. Paul - ERC	427 St. Clair	Yes	X
Quenten Crouch	Rochester Energy Action Com	1429 8½ Ave SE Rochester	yes	X
Marsha Navamane	C.A.C.H.I.E. (Minneapolis Public Schools)	1006 W. LakeSt 55408	NO	
Elly Mechal	Roch Enrg Action Comm	1215 4th Ave SW Roch 55902	yes	X
Tom Welna	Neighborhood Energy Connection	287 N Snelling ST. PAUL 55104	yes	X

Please Sign In

St Paul

NAME	Representing	Address	Check here if you desire to speak	SPOKE
Tom Smilanich	South St. Paul	135 4th Ave. S.		
Scott Knudson	Carver County HRA	P.O. Box 87 Carver		X
Myra Gibson	City of Fridley	6ABT University		
Mike Miller	City Wide Advisory Committee on Home Improvement Education	Mpls Public Schools 1006 W. Lake St Mpls	✓	X
Gregory Harris	Weatherization Research and Production, Inc.	3220 Labore Road Vadnais Heights 55110		
Bob Palrad	Richfield energy technician			X

Grand Rapids

SIGN-IN Sheet
PLEASE PRINT

NAME	REPRESENTING	ADDRESS	CHECK HERE IF YOU DESIRE TO SPEAK
GLEN HODGSON	CITY OF G.R.	420 N. POKEGAMA AVE	
Michelle Larkso	" " "	" " "	
BOB BROWN	HIBBING	CITY HALL	✓
PAT GREEN	Hibbing	515 11TH ST. No.	✓

PLEASE SIGN IN.
PRINT ONLY

New Ulm

NAME	REPRESENTING	ADDRESS	CHECK HERE IF YOU DESIRE TO SPEAK	
STEVE HAMILTON	NEW ULM PUC	310 FIRST NORTH STREET		X
J. Sobotik	New Ulm Journal	303 N " "		
Don Bookam	MVAC Minnesota Valley Action Council	PO Box 3327 Mankato	✓	X
Ann Schaffer	SRDC	Slayton, MN		
Gloria Vande Berg	SW Reg Dev. Commission	2524 Broadway, Slayton		X
Charlie Hopkins	Fulda MN Comm. Econ	Box 232 Fulda	✓	X
Don Brand	KNUJ Radio	New Ulm		
Byron Jost	MVAC MANKATO	631 PAGE AVE N. MKTO	✓	X
TED	JOHNSON	NEW ULM		
~~PHIL~~ DAVIS	M/U ENERGY com.	520 SO. JEFFERSON	✓	X
Raleigh ~~Wood~~		211 S. Broadway	✓	X
Matt Fulton			✓	X

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SIGN-IN SHEET

Benson

PLEASE PRINT

NAME	Representing	Address	CHECK HERE IF YOU DESIRE TO SPEAK
RON Laycock	Swift County	Benson, Minn	
Bruce Barber	Barber Masonry	Spicer Minn	
Jenny Grinde	GE RDC	333 SW 6th St Willmar MN 56201	
Dale Sullivan	[illegible] Hastings	100 Sibley St Hastings	
Jean Peden		910 Willowcrest Ben	

Thief River Falls

SIGN-IN SHEET

PLEASE PRINT

Name	Representing	ADDRESS	✓ check if you desire to speak
Ralph Berg	Red Lake Co.	Brooks Mn.	
Jerry Nagel	Crookston Jobs	POB 492 Crookston Falls	✓
Delen Burcher	NWRDC	P.O. Box E, Thief River	
Ken Buchanan	City of Fossta	Fossta	✓
Jay A. Brunner	NW RDC	T.R.F.	✓
Dan Juhl	NWEC	Kennedy Mn	✓
Sam HONEBRINK	NWSF	TR FALLS	
	PENNINGTON COUNCIL ON Agency		
Bob Louiseau	City of Detroit Lakes	D.L.	✓
DON STEWART	CITY OF T.R.F. JOBS, INC.	T.R. FALLS	
Ken Olson	Pennington County	T.R. Falls	
Steve Noelhagen	Future Fuel	T.R. Falls	
Galen Nardin	Lancaster energy committee	Lancaster Mn.	
Gary Burton	" " "	" "	
Tom Helgosen	DEED		

STATE OF MINNESOTA
DEPARTMENT OF ENERGY AND ECONOMIC DEVELOPMENT
ENERGY DIVISION

In the Matter of Proposed Adoption of Rule Amendments Governing Distribution of Community Energy Council Grant Funds (4160.5100-4160.5900)	ORDER FOR NOTICE OF INTENT TO ADOPT RULES WITHOUT PUBLIC HEARING

IT IS ORDERED this 21 day of October, 19 86 that a Notice of Intent to Adopt Rules Without Public Hearing in the above-entitled matter be given to all persons who have registered their names with the State Department of Energy and Economic Development for that purpose and be published in the State Register.

STATE OF MINNESOTA

DEPARTMENT OF ENERGY AND ECONOMIC DEVELOPMENT

MARK B. DAYTON

COMMISSIONER

CERTIFICATE

In the Matter of the Proposed Adoption of the Permanent Rule of the State Department of Energy and Economic Development Governing The Distribution of Community Energy Council Grants Funds.

STATE OF MINNESOTA)
) ss.
COUNTY OF RAMSEY)

Mary Andersen, being sworn says:

I hereby certify that the list of persons and associations who have requested, pursuant to Minnesota Statutes, sections 14.14, subdivision 1a and 14.22 or 14.30, that their names be placed on the state RULES rulemaking mailing list is is accurate and complete as of this 31st day of October, 1986.

Rules & Regs Dept Wide List
Compiled by Mary Andersen

First Name	Last Name	Company	Address	City	St Zip
BETSY L	SAHAGUN	STATE SERV GROUP	1015 15TH ST NW	WASHINGTON	DC 20005
JAMES E	SLATER JR	BECHTEL POWER COMPANY	15740 SHADY GROVE RD	GAITHERSBURG	MD 20877
JACK C	STROBEL	JENDS INC	100 LIVE OAK GARDENS-BOX 200	CASSELBERRY	FL 32707
SHELBY	PETTRY	NATIONAL HOMES MFG CO	BOX 7680	LAFAYETTE	IN 47903
JOSEPH	TAKATS	COMMONWEALTH ASSOC	209 WASHINGTON AVE E	JACKSON	MI 49201
RICHARD	HAUBENSAK	PEOPLES NAT GAS CO	25 MAIN PLACE	COUNCIL BLUFFS	IA 51501
AL D	CORDES	INTERSTATE POWER CO	1000 MAIN ST	DUBUQUE	IA 52001
JOHN P	LEIFER	DAIRYLAND POWER COOPERATIVE	2615 EAST AVE S	LACROSSE	WI 54601
ALBERT D	DIAL	DAIRYLAND POWER COOPERATIVE	BOX 817	LACROSSE	WI 54601
ALFRED J	ROSS		6356 WARE RD	LINO LAKES	MN 55014
CRAIG R	RAPP	CIRCLE PINES UTILITIES	9201 LEXINGTON AVE N	CIRCLE PINES	MN 55014
LEO C	FITZPATRICK		8138 HENSLOWE AVE S	COTTAGE GROVE	MN 55016
CHARLES	KROEGER	Q S S INC	BOX 838	FARIBAULT	MN 55021
DIANA	HERING	FARIBAULT AREA CHAMBER OF COMMERCE	228 CENTRAL AVE-BOX 434	FARIBAULT	MN 55021
FRANK	GERLOCK	HASTINGS CITY OF	100 SIBLEY ST	HASTINGS	MN 55033
GUNNAR	ISBERG	ISBERG & ASSOC	BOX 115	NORTHFIELD	MN 55057
DAVID	MARONEY	NORTHFIELD CITY OF	801 WASHINGTON ST	NORTHFIELD	MN 55057
DAVID M	MARTIN	OWATONNA PUBLIC UTILITIES	208 WALNUT AVE S-BOX 800	OWATONNA	MN 55060
MARK	ALFERS		2496 145TH ST W	ROSEMOUNT	MN 55068
WILLIAM A	KEMP	WASHINGTON CO HRA/N A H R O-MINN CH	900 THIRD ST	ST PAUL PK	MN 55071
ROGER C	MILLER	LEVANDER GILLEN MILLER & MAGNUSON	633 CONCORD ST-RM 402-BOX 298	S ST PAUL	MN 55075
RICHARD A	OLSEN	SOUTH ST PAUL CHAMBER OF COMMERCE	LIVESTOCK EXCH BLDG-RM 217	S ST PAUL	MN 55075
RUSTY	MITCHELL	INVER HILLS COMM COLLEGE	8445 COLLEGE TR	INVER GROVE HTS	MN 55075
DENNIS	ODONNELL	WASHINGTON CO PLANNING DEPT	14900 61ST ST N	STILLWATER	MN 55082
ROBERT	LOCKYEAR		14900 61ST ST N	STILLWATER	MN 55082
GEORGE	VITALIS	VITALIS THOMAS & CO	344 BENCH ST	TAYLORS FLS	MN 55084
JAMES L	SMITH	U S DEPT OF INTERIOR-FISH &WILDLIFE	333 SIBLEY ST-RM 570	ST PAUL	MN 55101
PAT	WESTHOFF	MINN TAXPAYERS ASSOC	480 CEDAR ST-STE 175	ST PAUL	MN 55101
RUSS	BJORHUS	U S DEPT OF AG-FARMERS HOME ADM	316 ROBERT ST N-RM 252	ST PAUL	MN 55101
JAMES	SOLEM	MINN HOUSING FINANCE AGENCY	400 SIBLEY ST-STE 300	ST PAUL	MN 55101
CARL	MICHAND	METRO COUNCIL	121 SEVENTH ST E-RM 300	ST PAUL	MN 55101
RANDY	MORRIS	MINN RETAIL MERCHANTS ASSN	121 SEVENTH ST E-STE 180	ST PAUL	MN 55101
EDWARD E	SLETTOM	MINN COOPERATIVES ASSN OF	480 CEDAR ST-RM 380	ST PAUL	MN 55101
DRU	OSTERUD	MINN COACT-LEGAL SERV ADVOC PROJ	60 FOURTH ST E-RM 300	ST PAUL	MN 55101
JOHN A	KNAPP	WINTHROP WEINSTINE & SEXTON	444 CEDAR ST-STE 1800	ST PAUL	MN 55101
VERNON	PETERSON	METRO MUNICIPAL ASSN	183 UNIVERSITY AVE E	ST PAUL	MN 55101
JOHN	RUTFORD	METRO COUNCIL	121 SEVENTH ST E	ST PAUL	MN 55101
RUSS	HARJU	ST PAUL PUBLIC HOUSING AUTHORITY	419 ROBERT ST N-RM 380	ST PAUL	MN 55101
CHRISTIE B	ELLER		BREMER TOWER-RM 1100	ST PAUL	MN 55101
JEAN	ORSELLO	MINN BOARD OF AGING	121 SEVENTH ST E-RM 204	ST PAUL	MN 55101
ALAN W	INGRAM	NATIONAL SOCIAL WORKERS ASSN	614 PORTLAND AVE	ST PAUL	MN 55102
FRANK A	MUCKENHIRN	ST PAUL T V I	235 MARSHALL ST	ST PAUL	MN 55102

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First Name	Last Name	Company	Address	City	St Zip
DARREL	BUNGE	MINN PETROLEUM COUNCIL	386 WABASHA ST N-RM 1025	ST PAUL	MN 55102
JUDY	KARON	RAMSEY CO COMM BOARD	COURTHOUSE-STE 316	ST PAUL	MN 55102
GLENN A	ERICKSON	ST PAUL CITY OF	25 FOURTH ST W-RM 445	ST PAUL	MN 55102
KENNETH	DZUGAN	ST PAUL PORT AUTHORITY	25 FOURTH ST W-STE 1305	ST PAUL	MN 55102
WILLIAM L	PHILLIPS	PHILLIPS LEGISLATIVE SERVICE INC	459 RICE ST	ST PAUL	MN 55103
JAMES C	SHIPMAN	MINN COUNTIES ASSN OF	555 PARK ST-STE 300	ST PAUL	MN 55103
BERNARD L	BROMMER	A F L-C I O	175 AURORA AVE	ST PAUL	MN 55103
LOUIS W	CLAESON JR	MINN AUTO DEALERS ASSN	277 UNIVERSITY AVE	ST PAUL	MN 55103
W A	HALLMAN	ASSOCIATED MOTOR CARRIERS	1821 UNIVERSITY AVE-N134	ST PAUL	MN 55104
PAUL	HUBER	HUBER LTD	1821 UNIVERSITY AVE	ST PAUL	MN 55104
MARILYNNE K	ROBERTS	HAMLINE UNIV SCHOOL OF LAW	1536 HEWITT AVE	ST PAUL	MN 55104
BARBARA W	KAUFMAN	MINN VOLUNTARY SOC SERV ASSN OF	1821 UNIVERSITY AVE-RM 141S	ST PAUL	MN 55104
CRAIG	SALLSTROM	MINN PLANT FOOD & CHEM ASSN	1821 UNIVERSITY AVE-RM 253	ST PAUL	MN 55104
ABE	ROSENTHAL	MINN TRANSPORT SERV ASSN	1821 UNIVERSITY AVE-RM 310N	ST PAUL	MN 55104
MARY E	STANTON	MINN STATE UNIV SYSTEM	555 PARK ST-STE 230	ST PAUL	MN 55105
FRANK	FRISON	N E C A	200 ROBERT ST S-RM 305	ST PAUL	MN 55107
GERALD	HEIL	MINN DEPT OF AGRICULTURE	90 PLATO BLVD W	ST PAUL	MN 55107
ROBERT W	SNYDER	U OF M	1994 BUFORD AVE-RM 248C	ST PAUL	MN 55108
BERNARD J	LEWIS	U OF M-FORESTRY DEPT	GREEN HALL-RM 10	ST PAUL	MN 55108
GEOFF	OLSON		1380 FROST AVE	MAPLEWOOD	MN 55109
CLIFF	AICHINGER	MOSTCA INC	2225 WHITE BEAR AVE	MAPLEWOOD	MN 55109
RAYMOND E	OCONNELL	MINN COMMERCE & INDUSTRY ASSN OF	480 CEDAR ST-RM 300	ST PAUL	MN 55109
ROBERT	WISCHMANN	LAKEWOOD COMM COLLEGE	3401 CENTURY AVE N	WHITE BEAR LK	MN 55110
		WHITE BEAR LAKE CITY OF	1281 HAMMOND RD	WHITE BEAR LK	MN 55110
ROBERT S	BUTLER	BUTLER RESEARCH & ENG CO INC	1306 CO RD F W	ST PAUL	MN 55112
BARRY C	SCHADE	MINN POLLUTION CONTROL AGENCY	1935 CO RD B2 W	ROSEVILLE	MN 55113
JAN	VANDERWALL	IND SCHOOL DIST 623	1251 CO RD B2 W	ROSEVILLE	MN 55113
ROBERT	PFEFFERLE	BONNESTRO & ASSOCIATES	2335 HWY 36 W	ST PAUL	MN 55113
BRIAN	ETTESVOLD	MINN SERVICE STATION ASSN	2700 RICE ST	ST PAUL	MN 55113
RALPH T	KEYES		1631 BROOKS AVE W	ST PAUL	MN 55113
JAMES	ANDRE	ROSEVILLE CITY OF	2024 CLEVELAND AVE N	ROSEVILLE	MN 55113
SANDRA S	GARDENBRING	MINN POLLUTION CONTROL AGENCY	1935 CO RD B2 W	ROSEVILLE	MN 55113
JOSEPH J	FLAIM	CHAMPION INTL CORP	2250 WABASHA ST-BOX 43260	ST PAUL	MN 55114
JAMES A	SMITH	DONOVAN COMPANIES INC	1080 MONTREAL AVE	ST PAUL	MN 55116
CLARENCE P	LINDBERG		750 PLAZA DR S	MENDOTA HTS	MN 55118
DALE S	PETERSON	EAGAN BLDG INSPEC DEPT	3795 PILOT KNOB RD-BOX 21 199	EAGAN	MN 55121
THOMAS L	HEDGES	EAGAN CITY OF	3830 PILOT KNOB RD	EAGAN	MN 55123
DWIGHT W	PICHA	WOODBURY CITY OF	2100 RADIO DR	WOODBURY	MN 55125
WILLIAM J	LANGLOIS	3 M COMPANY	2501 HUDSON RD-BOX 225 2N06	ST PAUL	MN 55144
JEAN	DAWSON	MINN GOVERMENT REPORT	STATE CAPITAL BLDG-PRESS RM B2	ST PAUL	MN 55155
MARYANNE V	HRUBY	MINN LEGIS COMM TO REVIEW ADMIN RUL	STATE OFFICE BLDG-RM 55	ST PAUL	MN 55155
THOMAS F	CATANIA	MINN ATTORNEY GEN OFC-ANTITRUST DIV	117 UNIV AVE-SECOND FLR	ST PAUL	MN 55155
ALLAN	BAUMGARTEN	MINN LEGIS AUDITOR	VETERANS SERVICE BLDG-RM 122	ST PAUL	MN 55155
DONALD J	FRANK		STATE CAPITOL BLDG-RM G28	ST PAUL	MN 55155
MARLENE	SWANSON	MINN DEPT OF TRANS-DRIVER&SERV	JOHN IRELAND BLVD-RM 161	ST PAUL	MN 55155

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First Name	Last Name	Company	Address	City	St Zip
SANDRA J	HALE	MINN DEPT OF ADMIN	50 SHERBURNE AVE-RM 200	ST PAUL	MN 55155
ROBERT	KIRCHNER	ANOKA CITY HALL	2015 FIRST AVE	ANOKA	MN 55303
SCOTT A	MARTIN	CHANHASSEN CITY OF	690 COULTER DR	CHANHASSEN	MN 55317
VIRGINIA	HARRIS	CARVER CO OFFICES	600 FOURTH ST E	CHASKA	MN 55318
BRUCE	HAUSCHULZ	UNITED POWER ASSN		ELK RIVER	MN 55330
REYNOLD S	RAHKO	UNITED POWER ASSN	HWY 10 E	ELK RIVER	MN 55330
JUDY	JANICKE	LYMAN BLUEPRINT THE	BOX 40	EXCELSIOR	MN 55331
GREGORY F	TROSKA		804 11TH ST E	GLENCOE	MN 55336
WILLIAM H	HENNEMUTH	RIEKE CARROLL MULLER ASSOC	1011 FIRST ST S-BOX 130	HOPKINS	MN 55343
GREGORY B	LIE	HOPKINS ENVIRONMENT & ENERGY DEPT	320 WASHINGTON AVE S	HOPKINS	MN 55343
DAVID G	WINTER	HENNEPIN CO PUBLIC WORKS	320 WASHINGTON AVE S	HOPKINS	MN 55343
ADE	MUSSELL	COOPERATIVE POWER ASSN	14615 LONE OAK RD	EDEN PRAIRIE	MN 55344
ROBERT P	AMBROSE	COOPERATIVE POWER ASSN	14615 LONE OAK RD	EDEN PRAIRIE	MN 55344
CHRIS	ENGER	EDEN PRAIRIE CITY OF	8950 EDEN PRAIRIE RD	EDEN PRAIRIE	MN 55344
THOMAS	ELDEM	MONTICELLO CITY OF	250 BROADWAY ST E	MONTICELLO	MN 55362
MICHAEL	HOFF	DONOHUE & ASSOC INC	7200 HEMLOCK LN W	MAPLE GROVE	MN 55369
ZACK	JOHNSON	CONSULTING ENGINEERS DIVERSIFIED	7200 HEMLOCK LN N-STE 200	MAPLE GROVE	MN 55369
MICHAEL A	SCHOENECKER	CONSULTING ENGINEERS DIVERSIFIED	7200 HEMLOCK LANE-STE 200	MAPLE GROVE	MN 55369
		SCOTT CO HOUSING & REDEVEL AUTH	16049 FRANKLIN TR SE-RM 104	PRIOR LAKE	MN 55372
DAVID	FRICKE	MINN TOWNSHIPS ASSN OF	BOX 246	ST MICHAEL	MN 55376
WILLIAM F	BROOKS JR		405 SECOND AVE S-RM 900	MPLS	MN 55401
JOSEPH D	BIZZANO JR	NORTHERN STATES POWER	414 NICOLLET MALL	MPLS	MN 55401
G V	WELK	NORTHERN STATES POWER	414 NICOLLET MALL	MPLS	MN 55401
		MPLS PUBLIC LIBRARY-ENVIRON CONSERV	300 NICOLLET MALL	MPLS	MN 55401
ROGER	OLSON	U S HOUSING & URBAN DEVEL	220 SECOND ST S	MPLS	MN 55401
RAYMOND A	HAIK	N S P	414 NICOLLET MALL	MPLS	MN 55401
GLENN A	MATSON	U S DEPT OF COMMERCE	110 FOURTH ST S-RM 108	MPLS	MN 55401
JOHN E	DRAWZ		120 SIXTH ST S-RM 2000	MPLS	MN 55402
MICHAEL J	AHERN	MOSS FLAHERTY CLARKSON & FLETCHER	200 SIXTH ST S-STE 1200	MPLS	MN 55402
		MINNEGASCO	201 SEVENTH ST S	MPLS	MN 55402
RICHARD G	PEPIN JR	DAYTON HERMAN GRAHAM & GETTS	10 FIFTH ST S-STE 930	MPLS	MN 55402
LUKE R	KOMAREK	MINNEGASCO	201 SEVENTH ST S	MPLS	MN 55402
JAMES C	DIRACLES		80 EIGHTH ST S-RM 4040	MPLS	MN 55402
JEFFREY J	STRAND	LEFEUERE LAW FIRM	120 SIXTH ST S-RM 2000	MPLS	MN 55402
ROBERT S	BURK	POPHAM HAIK SCHNOBRICH KAUFMN&DOTY	80 EIGHTH ST S-RM 4344	MPLS	MN 55402
HAROLD J	SODERBERG	HESSIAN MCKASY & SODERBERG	IDS CTR-STE 4700	MPLS	MN 55402
ARTHUR W	OLOFSON	MPLS BLDG OWNERS & MGRS ASSN	105 FIFTH ST S-RM 927	MPLS	MN 55402
JOSEPH T	PIETRUS	EXPERIENCE INC	527 MARQUETTE AVE-RM 1930	MPLS	MN 55402
		DORSEY & WHITNEY LIBRARY	2200 FIRST BANK PL E	MPLS	MN 55402
BECKY A	COMSTOCK	DORSEY WINDHRST HANNAFRD WHITNY&HAL	220 SIXTH ST S-RM 2300	MPLS	MN 55402
G ROBERT	JOHNSON	POPHAM HAIK SCHNOBRICH KAUFMN&DOTY	80 EIGHTH ST S-RM 4344	MPLS	MN 55402

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First Name	Last Name	Company	Address	City	St Zip
CHARLES K	DAYTON	DAYTON HERMAN GRAHAM & GETTS	10 FIFTH ST S-STE 930	MPLS	MN 55402
JOHN H	HERMAN	DAYTON HERMAN GRAHAM & GETTS	10 FIFTH ST S-STE 930	MPLS	MN 55402
ERNEST K	LEHMANN	LEHMANN & ASSOC INC	1409 WILLOW ST-RM 300	MPLS	MN 55403
KEITH H	WIETECKI	NORTHERN STATES POWER CO	414 NICOLLET MALL	MPLS	MN 55403
JOHN H	LAMPERT	MINNEGASCO	700 LINDEN AVE W	MPLS	MN 55403
HENRY	FIELDSETH	NORTHERN SUN ALLIANCE	1519 FRANKLIN AVE E	MPLS	MN 55404
GORDON	JOHNSON	LUTHERAN SOCIAL SERVICE	2414 PARK AVE	MPLS	MN 55404
		PROJECT ENVIRONMENT FOUNDATION	2929 FOURTH AVE S	MPLS	MN 55408
JOHN	GOSTOVICH	MINN PUBLIC INTEREST RESEARCH GROUP	2412 UNIVERSITY AVE SE	MPLS	MN 55414
MARTHA	GREENWALD		2222 ELM ST SE	MPLS	MN 55414
SAM	RUHLE	MPLS ADMIN HEARING OFFICE	310 FOURTH AVE-RM 400	MPLS	MN 55415
PHILIP G	MEININGER	MPLS CITY COORDINATORS OFFICE	350 FIFTH ST S-RM 210	MPLS	MN 55415
FRANK F	HARTRANFT	MICHAUD COOLEY ERICKSON & ASSOC INC	625 FOURTH AVE S-STE 1325	MPLS	MN 55415
WILLIAM	WEBER	BENNET RINGROSE WOLSFELD INC	700 THIRD ST	MPLS	MN 55415
WILLIAM	THIBAULT	ST LOUIS PARK CITY OF	5005 MINNETONKA BLVD	ST LOUIS PK	MN 55416
DALE	MCMICHAEL	HENNINGSSON DURHAM & RICHARDSON	5401 GAMBLE DR-RM 300	MPLS	MN 55416
JOHN	HORNER	MINN MULTI HOUSING ASSN	4740 PARK GLEN RD	MPLS	MN 55416
TODD M	STUTZ	COLUMBIA HTS HOUSING & REDEVEL AUTH	590 40TH AVE	COLUMBIA HTS	MN 55421
RICHARD	JOPKE	RICHFIELD CITY OF	6700 PORTLAND AVE	RICHFIELD	MN 55423
ROD	BRANNON	EDINA COMMUNITY ED	5701 NORMANDALE RD	MPLS	MN 55424
LLOYD G	BECKER	GOLDEN VALLEY CITY OF	7800 GOLDEN VALLEY RD	GOLDEN VALLEY	MN 55427
MICHAEL	OSMUNDSON		240 GEORGIA AVE W	MPLS	MN 55427
DANIEL J	DONAHUE	NEW HOPE CITY OF	4401 XYLON AVE N	NEW HOPE	MN 55428
JOHN M	BROEKER	BROEKER HARTFELDT HEDGES & GRANT	2850 METRO DR-STE 800	BLOOMINGTON	MN 55429
GARY	BERG	BROOKLYN PARK CITY OF	5800 85TH AVE N	BROOKLYN PK	MN 55430
JAN P	GASTERLAND	BLOOMINGTON BLDG & INSPECT DIV	2215 OLD SHAKOPEE RD W	BLOOMINGTON	MN 55431
HERBERT W	MEYER	BLOOMINGTON CITY MGRS OFFICE	2215 OLD SHAKOPEE RD W	BLOOMINGTON	MN 55431
JAMES R	HILL	HILL ASSOCIATION	8200 HUMBOLDT AVE S	BLOOMINGTON	MN 55431
JIM	ROBINSON	FRIDLEY CITY OF	6431 UNIVERSITY AVE NE	FRIDLEY	MN 55432
LESLIE M	JOHNSON	BLAINE CITY OF	9150 CENTRAL AVE NE	BLAINE	MN 55434
ROLAND E	OLSON		5416 70TH ST W-RM 2	EDINA	MN 55435
DANIEL D	FOTH	ASSOC BLDRS & CONTRACTORS INC	6989 WASHINGTON AVE S-STE 200	EDINA	MN 55435
LEON	BARNIER	MINN RURAL ELECTRIC ASSN	4901 77TH ST W	MPLS	MN 55435
THOMAS M	DAILEY	HENKEL CORP	7900 78TH ST W	MPLS	MN 55435
FRANCINE	CREME	BARR ENGINEERING CO	6800 FRANCE AVE S	MPLS	MN 55435
		MINN DEPT OF HEALTH-COMM DEVEL	717 DELAWARE ST SE	MPLS	MN 55440
JANE	BELAU	CONTROL DATA CORP	8100 34TH AVE S	MPLS	MN 55440
WILLIAM T	TAYLOR	GENERAL MILLS INC	BOX 1113	MPLS	MN 55440
MARK	SKUBIC	MINN DEPT OF HEALTH-COMM DEVEL OFF	717 DELAWARE ST SE	MPLS	MN 55440
W C	VIITALA	HONEYWELL INC	HONEYWELL PLAZA-BOX 524	MPLS	MN 55440
MARK	KOEGLER	VAN DOREN HAZARD STALLINGS	3030 HARBOR LN N-STE 104	PLYMOUTH	MN 55441
FRANCIS X	MCGRATH	DEVAC INC	10130 HWY 55	MPLS	MN 55441
FRANK W	HETMAN	DEVAC INC	10130 HWY 55	MPLS	MN 55441
VIET	NGO	E W A INC	12800 INDUS PK BLVD	PLYMOUTH	MN 55441
GIL A	DULLINGER	BROOKLYN PARK CITY OF	5800 85TH AVE N	BROOKLYN PK	MN 55443

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First Name	Last Name	Company	Address	City	St Zip
LUTHER D	NELSON	HENNEPIN CO ENVIRON & ENERGY OFFICE	HENNEPIN CO GOVERNMENT CTR	MPLS	MN 55487
A J	LEE	HENNEPIN CO OFFICES	300 SIXTH ST S-RM A2307	MPLS	MN 55487
JOHN G	MCMILLAN	HENNEPIN CO OFFICES	300 SIXTH ST S-RM A2208	MPLS	MN 55487
TIMOTHY	KENNEDY	GRAND MARAIS CITY OF	COURTHOUSE	GRAND MARAIS	MN 55604
WILLIAM	SCHLENVOGT	CLOQUET CITY OF	508 CLOQUET AVE	CLOQUET	MN 55720
P JEROME	TURNQUIST	CARLTON COUNTY OFFICES	COURTHOUSE-BOX 316	CLOQUET	MN 55720
		BASS BROOK TOWN OF	BOX 146	COHASSET	MN 55721
W J	LICKE	BLANDIN PAPER CO	115 FIRST ST SW	GRAND RAPIDS	MN 55744
		GRAND RAPIDS CHAMBER OF COMMERCE	WELCOME HOUSE	GRAND RAPIDS	MN 55744
HERBERT K	ANDERSON		418 EIGHTH ST S	VIRGINIA	MN 55792
JOHN	POWERS	ARROWHEAD REG DEVEL COMM	330 FIRST AVE SE	DULUTH	MN 55802
MARK	JOHNSON	ST LOUIS CO PLANNING & ZONING OFF	COURTHOUSE	DULUTH	MN 55802
MICHELE	MATEGKO	CHAMBER OF COMMERCE	325 HARBOR DR	DULUTH	MN 55802
DONALD B	CRASSWELLER	DONOVAN MCCARTHY CRASSWELLR LARSN&M	ALWORTH BLDG-RM 1000	DULUTH	MN 55802
BRUCE T	ROWE	DULUTH COMM HEALTH SERV	325 LAKE AVE S-STE 604	DULUTH	MN 55802
JAMES A	ROBERTS	MINN POWER CO	30 SUPERIOR ST W	DULUTH	MN 55802
CONRAD M	FREDIN	JOHNSON FREDIN KILLEN THIBODEAU&SEI	NORWEST CTR-RM 811	DULUTH	MN 55802
DOUGLAS	NELSON	DULUTH CITY OF	CITY HALL-RM 409	DULUTH	MN 55802
DAVID	JERONIMUS		4808 TIOGA ST	DULUTH	MN 55802
ELAINE	DEBEIR	MINN POWER CO	30 SUPERIOR ST W	DULUTH	MN 55802
DAVID A	RAIMO	DULUTH CHAMBER OF COMMERCE	325 HARBOR DR	DULUTH	MN 55802
ALFRED E	FRANCE	LAKE SUPERIOR INDUSTRIAL BUREAU	NORWEST CTR-RM 828	DULUTH	MN 55802
JACK D	SALO	SALO INC	15 FIRST ST E	DULUTH	MN 55802
LEN	HANSMEYER	MINN POWER CO	30 SUPERIOR ST W	DULUTH	MN 55802
THERESA	VIRKUS		1031 SIXTH ST E	DULUTH	MN 55805
ERIC	FURE	GREATER DULUTH COACT	2904 THIRD ST W	DULUTH	MN 55806
HELMER A	RUTH	HERMANTOWN CITY OF	3161 MAPLE GROVE RD	HERMANTOWN	MN 55811
JOHN C	GREEN	U OF M-GEOLOGY DEPT	10550 OLD NORTH SHORE RD	DULUTH	MN 55812
DR DALE	OLSEN	U OF M-DULUTH POLITICAL SCIENCE DEP	HOME EC BLDG-RM 242	DULUTH	MN 55812
JON G	OHMAN		1732 LONDON RD	DULUTH	MN 55812
DR DONALD W	IRELAND	U OF M-SCHL OF BUSINESS & ECON		DULUTH	MN 55812
GORDON I	SATHER	ROCHESTER BLDG & SAFETY DEPT	1605 CASCADE ST NW	ROCHESTER	MN 55901
THOMAS O	MOORE	OLMSTED CO PLANNING DEPT	1421 THIRD AVE SE	ROCHESTER	MN 55901
MARY ELLEN	LANDWEHR	SOUTHERN MINN MUNI POWER AGENCY	21 FIRST ST SW-STE 400	ROCHESTER	MN 55902
LLOYD	WELTY	ROCHESTER CHAMBER OF COMMERCE	212 FIRST ST SW	ROCHESTER	MN 55902
		YAGGY ASSOCIATES	717 THIRD AVE SE	ROCHESTER	MN 55904
E J	KLAMPE	SUN CONTROL PRODUCTS	431 FOURTH AVE SE	ROCHESTER	MN 55904
JAMES D	FLANNERY	AUSTIN COMM COLLEGE	1600 EIGHTH AVE NW	AUSTIN	MN 55912
DOUGLAS	HAHN	HORMEL & CO	BOX 800	AUSTIN	MN 55912
RICHARD	FRANK	HOUSTON CO OFFICES	COURTHOUSE	CALEDONIA	MN 55921
STEPHAN	JILK	LACRESCENT CITY OF	315 MAIN ST	LACRESCENT	MN 55947
LONI	KEMP	MINN PROJECT-S E OFFICE	BOX 4	PRESTON	MN 55965

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First Name	Last Name	Company	Address	City	St Zip
JAMES	JENSEN		BOX 459	RUSHFORD	MN 55971
ROBERT	WEBBER	KLEINSCHMIDT & WEBBER INC	4240 FIFTH ST	WINONA	MN 55987
SUSAN	EDEL		86 HILLSDALE COURT	WINONA	MN 55987
		MANKATO AREA CHAMBER OF COMMERCE	BOX 999	MANKATO	MN 56001
CRAIG	WALDRON	REGION NINE REG DEVEL COMM	410 FIFTH ST S-BOX 3367	MANKATO	MN 56001
THOMAS	MELENA	MANKATO COMM DEVEL OFFICE	202 JACKSON ST E	MANKATO	MN 56001
JAMES	JACK	MANKATO STATE UNIV	BOX 36	MANKATO	MN 56001
PETER	LANSDOWNE	SOUTHERN MINN REG LEGAL SERVICES	MEDICAL ARTS BLDG-RM 310	ALBERT LEA	MN 56007
LARRY A	READ	ZENK ENGINEERING	BOX 689	ALBERT LEA	MN 56007
DAVID J	UNMACHT		420 MAIN ST E	BELLE PLAINE	MN 56011
		FRUNDT FRUNDT & JOHNSON	117 FIFTH ST W-BOX 95	BLUE EARTH	MN 56013
WAYNE	FLOHRS		COURTHOUSE-RM 105	FAIRMONT	MN 56031
CINDI JO	TRAHMS	JANESVILLE CITY OF	219 MAIN ST N	JANESVILLE	MN 56048
WINFIELD	FORSBERG	FORSBERG AGRIC SERV	518 SUMMIT AVE	NEW ULM	MN 56073
LAWRENCE D	HANSEN	WATERVILLE CITY OF	BOX 9	WATERVILLE	MN 56096
FARLEY	GRUNIG	COTTONWOOD CO OFFICES	COURTHOUSE	WINDOM	MN 56101
MARY	GUHIN	LUVERNE CITY OF	203 MAIN ST E	LUVERNE	MN 56156
STEVEN L	PERKINS	REGION EIGHT REG DEVEL COMM	214 SECOND ST NW	PIPESTONE	MN 56164
GARY	GRAHAM	SOUTHWEST REG DEVEL COMM	2524 BROADWAY AVE-BOX 265	SLAYTON	MN 56172
H EUGENE	HIPPE	REGION SIX EAST REG DEVEL COMM	311 SIXTH ST W	WILLMAR	MN 56201
RICHARD C	HOGLUND	WILLMAR CITY OF	333 SIXTH ST SW-BOX 755	WILLMAR	MN 56201
HELEN J	REARDON	WEST CENTRAL COMM SERV CTR INC	1125 SIXTH ST SE-BOX 787	WILLMAR	MN 56201
DENNIS L	WILDE	WILLMAR AVTI	BOX 1097	WILLMAR	MN 56201
OTTO	SCHMID	UPPER MINN VALLEY REG DEVEL COMM	323 SCHLIEMAN AVE W	APPLETON	MN 56208
EDWARD J	SHUKLE JR	BENSON CITY OF	1411 PACIFIC AVE	BENSON	MN 56215
JERRY	HOLIEN	YELLOW MEDICINE PLANNING OFFICE	BOX 675	CLARKFIELD	MN 56223
JACK	HAWK	GRANITE FALLS AVTI	HWY 212 W	GRANITE FALLS	MN 56241
R BEN	BIFOSS	MONTEVIDEO CITY OF	BOX 676	MONTEVIDEO	MN 56265
		WEST CENTRAL INDUS IMPROVEMENT CORP	STEVENS CO COURTHOUSE	MORRIS	MN 56267
ROBERT	BIXBY	ST CLOUD STATE UNIV	STEWARD HALL-RM 301	ST CLOUD	MN 56301
KENNETH	HOPKE	STEARNS CO OFFICES	BOX 604	ST CLOUD	MN 56301
GLENN	CARLSON	ST CLOUD AREA CHAMBER OF COMMERCE	20 FOURTH AVE S-BOX 487	ST CLOUD	MN 56302
CLYDE A	WEIVODA	ALBANY CITY OF		ALBANY	MN 56307
JAMES	TADDEL	ALEXANDRIA CITY OF	114 SEVENTH AVE W-BOX 369	ALEXANDRIA	MN 56308
BERNARD J	DEML		BOX 76	CARLOS	MN 56319
AL	BARTHELEMY	BENTON CO LAND USE TECH	COURTHOUSE	FOLEY	MN 56329
MARK G	SEXTON	TRI COUNTY COMM ACTION PROG	404 SECOND AVE NE	LITTLE FALLS	MN 56345
RALPH K	HESTER	MILACA CITY OF	145 CENTRAL AVE S	MILACA	MN 56353
CURT	BREKKE JR	BRAINERD COMM DEVEL ADMIN	CITY HALL	BRAINERD	MN 56401
WALTER C	SJOLUND	BRAINERD LIGHT & WATER DEPT	501 LAUREL ST-BOX 373	BRAINERD	MN 56401
DOUGLAS	FRAZIOR	BRAINERD AREA CHAMBER OF COMMERCE	SIXTH & WASHINGTON STS	BRAINERD	MN 56401
		TROMMALD CITY OF	RT 3-BOX 160	CROSBY	MN 56441
LARRY	KNOSALLA	REGION FIVE REG DEVEL COMM	611 IOWA AVE	STAPLES	MN 56479

Rules & Regs Dept Wide List
Compiled by Mary Andersen

First Name	Last Name	Company	Address	City	St Zip
PAUL D	KINN	WADENA AVTI	405 COLFAX AVE SW-BOX 566	WADENA	MN 56482
RICHARD	GRABOW	DETROIT LAKES CITY OF	10225 ROOSEVELT AVE-BOX 647	DETROIT LAKES	MN 56501
M D	CASPER	BRECKENRIDGE CITY OF	420 NEBRASKA AVE	BRECKENRIDGE	MN 56520
STANLEY	WIEBER	FERGUS FALLS CHAMBER OF COMMERCE	202 COURT ST S-BOX 724	FERGUS FALLS	MN 56537
JAY D	MYSTER	OTTERTAIL POWER CO	215 CASCADE ST S	FERGUS FALLS	MN 56537
JOHN	LANZ	WHITE EARTH RESERVATION	BOX 418	WHITE EARTH	MN 56591
		BEMIDJI CHAMBER OF COMMERCE	BOX 850	BEMIDJI	MN 56601
		BEMIDJI CHAMBER OF COMMERCE	BOX 806	BEMIDJI	MN 56601
JOHN	OSTREM	HEADWATERS REGIONAL DEVEL COMM	722 15TH ST NW-BOX 906	BEMIDJI	MN 56601
BRUCE	BARKER	BOISE CASCADE WOODLAND	BOX 1152	INTL FALLS	MN 56649
JOHN	QUINLIVAN	THIEF RIVER FALLS CITY OF	CITY HALL-BOX 528	THIEF RIVER FLS	MN 56701
THOMAS	JORGENS	NORTHWEST REG DEVEL COMM	425 WOODLAND AVE	CROOKSTON	MN 56716
PAT	SCHARMER	NORTHWEST REG DEVEL COMM	425 WOODLAND AVE	CROOKSTON	MN 56716
		UNION OIL OF CALIFORNIA	1650 GOLF RD E	SCHAUMBURG	IL 60196
ERIC	LANNES	WHYT WATER HEATERS	BOX 60129	RENO	NV 89506
ANN M	DEELY	STATE & FEDERAL ASSOC-REG SERV DIV	1101 KING ST-STE 600	ALEXANDRIA	VA 22314
ANDY	DUNCAN	JCM & ASSOC	379 UNIVERSITY AVE-STE 211	ST PAUL	MN 55103
NICHOLAS J	BABIAK	STATE SERVICES GROUP	1015 15TH ST NW-STE 200	WASHINGTON	DC 20005

Office of the Revisor of Statutes
Administrative Rules

David S. Niss
Assistant Revisor
297-2948

700 State Office Building
435 Park Street
St. Paul, MN 55155-1297

November 13, 1986

Marc Schoenbaum
Department of Energy and Economic Development
900 American Center Building
150 E. Kellogg Boulevard
Saint Paul, Minnesota 55101

RE: AR1037 Community Energy Council Grants

Dear Mr. Schoenbaum:

Enclosed is a stripped copy of your proposed rules as published in the State Register. The copy shows the text of the rules as you proposed them with the stricken text deleted and the underscoring removed.

If your proposed emergency rules or proposed rules adopted without public hearing are adopted without modification, please submit the required number of copies of this document to the Attorney General for final approval. If these rules are to be modified, please use this copy to indicate the modifications you wish to make. Our office will then input the changes, approve the document as to form, and provide you with copies to submit to the Attorney General.

If your proposed rules are adopted after public hearing without modification, please submit one copy of this document to our office for final approval as to form. If these rules are to be modified, please use this copy to indicate the modifications you wish to make. Our office will input the changes, approve the document as to form, and provide you with copies.

Very truly yours,

DSN/jc

David S. Niss

DSN/jc
Encl.

Notice of Intent

Missing: Small Business Statement

Expenditure of public money

116J.035 subd 2 — ok

116J.381 " 4 - ok

Statement of Need + Reasonableness

has the Sm. Bus. Stmt.