

Amendments to  
Design Loan Rules

Statement of Need  
and Reasonableness

Part ①

INTRODUCTION

The 1981 Minnesota Legislature enacted the District Heating Bonding Act, Laws of 1981 chapter 334, codified as Minnesota Statute, Section 116J.36 for the purpose of encouraging the establishment and improvement of economically viable district heating systems which have the potential to save energy and/or displace scarce fuels such as petroleum and natural gas.

Under this 1981 legislation, the Legislative Advisory Commission (LAC) and the Governor were charged with evaluating the projects and recommending loans to be made by the commissioner of finance under this Program. Permanent rules to administer the program were adopted in February 1983, and reflected the role the LAC and Governor would play in making recommendations to the commissioner of finance, who would make district heating design loans to a municipality.

However, later in 1983, the legislature created Minnesota Statute, Section 116M.10 Subdivision 6, the Minnesota Energy and Economic Development Authority, referred to as the "authority". The authority was charged with evaluating district heating projects and recommending to the commissioner of finance when a district heating design loan be made.

In 1984, amendments to Minnesota Statute, Section 116J.36 further clarified the role of the authority and commissioner of the department of energy and economic development would play in the operation of the district heating design loan program.

It has, therefore, become necessary to amend the 1983 permanent rules of the district heating loan program to reflect the 1983 and 1984 statutory changes.

Essentially, the amended design loan rules deal with the commissioner's administration of the application process. The new permanent authority rules deal with application contents and the authority's role in the application approval process.

The following Statement of Need and Reasonableness describes the changes to the permanent design loan rules. Deletions from the original rules are indicated by a dashed line through the words to be repealed. Additions to the rules are indicated by underlining. Following each change is an explanation of the need for and reasonableness of each change.

State of Minnesota  
Department of Energy and Economic Development

AMENDMENTS TO DISTRICT HEATING  
PROGRAM DESIGN LOAN RULES

STATEMENT OF NEED  
AND REASONABLENESS

4200.2100 DEFINITIONS

Subpart 1. Scope. For the purposes of parts 4200.2100 to 4200.2700 4200.2750 the terms defined in subparts 2 to 7 this part have the meanings given them.

It is necessary and reasonable to eliminate "4200.2700" and replace it with "4200.2750", because in the course of amending these rules it has become necessary to add a section.

It also is necessary and reasonable to eliminate "subparts 2 to 7" and replace it with "this part" since that will encompass all of the subparts.

Subp. 2. Act. Applicability of statute. "Act" means Laws of Minnesota 1981, chapter 334. The definitions in Minnesota Statutes, Section 116J.36 and part 8300.0100 apply to parts 4200.2100 to 4200.2750.

It is necessary to eliminate this definition of "act" because it no longer applies. Laws of Minnesota 1981, Chapter 334, has been codified as Minn. Stat. 116J.36. "Act" now refers to Minnesota Statute ch. 116M; so it is reasonable to eliminate this out-of-date definition.

The sentence which has been added is needed to clarify that the definitions already in use in the statutes and rules will also be used here. This is reasonable since it would be an unnecessary duplication of language to repeat the definitions.

Subp. 7. District heating project. "District heating project" means a district heating design project.

It is necessary and reasonable to renumber this definition because the term before it has been eliminated.

It is also necessary and reasonable to add the words "district heating" because a definition of "project" has been added to the definitions in Minn. Rules 8300.0100 and it is necessary to differentiate between a "district heating project" and "project."

#### 4200.2200 AUTHORITY PURPOSE, AND SCOPE.

Subpart 1. Authority. Parts 4200.2100 to 4200.2700 2750 are authorized by Minnesota Statutes, section 116J.36, subdivision 11.

It is necessary and reasonable to make this numbering change because the amending being done to these rules will change the original numbers because of adding a section.

Subpart 2. Purpose. Parts 4200.2100 to 4200.2700 2750 are promulgated for the purpose of allowing prompt and proper applications for design loans after comprehensive preliminary engineering, economic and design studies have been completed. Parts 4200.2100 to 4200.2700 2750 set forth

the procedures that municipalities must follow to apply for loans and establish the criteria by which the applications are reviewed.

It is necessary and reasonable to make this numbering change because the amending being done to these rules will change the original numbers because of adding a section.

#### 4200.2300 APPLICATION PROCEDURE.

Applications for design loans under the act Minnesota Statute, Section 116J.36 and parts 4200.2100 to 4200.2700 2750 shall be submitted to the commissioner in the form required under parts 4300.4700 to 4300.4800. Ten complete copies shall be submitted. Application will be accepted beginning on the date parts 4200.2100 to 4200.2700 2750 become effective.

It is necessary and reasonable to eliminate "the act" and replace it with "Minnesota Statute, Section 116J.36" because at the time these rules were adopted "the act" meant the statute now codified as 116J.36. This change, therefore, eliminates the outdated wording.

It is also necessary and reasonable to change parts 4200.2700 to 4200.2750 because the amending being done to these rules will shorten the rules by one part.

Finally, in this part, it is necessary to make the addition concerning the required form for applications because this information is now contained in the permanent authority rules for district heating design and construction loans.

4200.2350 DISTRICT HEATING ADVISORY TASK FORCE

Subpart 1. Membership. Under Minnesota Statutes, section 15.014, the commissioner shall appoint a district heating advisory task force consisting of a at least four members in addition to the commissioner who shall act as chairperson.

Because this program only has one staff person, in order to provide for a comprehensive evaluation of applications, it is necessary that an advisory group of district heating experts be assembled. It is reasonable to include information about this group within these rules since the advisory group is provided for in the permanent district heating construction loan rules, Minn. Rules 4200.3000. Including the information here informs the applicants how their project application will be reviewed.

Task force members must be knowledgeable in the area of district heating, but cannot be directly or indirectly involved in any district heating project under consideration by the commissioner.

It is necessary to require advisory group members be knowledgeable in this field, since it is very specialized, and that they have no conflict of interest with district heating projects under review. It is reasonable to include this information since it informs applicants of the qualifications of the members and assures them that advisory task force members will have no conflict of interest.

The commissioner may from time to time add or delete task force members, subject only to the limitations in this subpart.

This clarifies the commissioner's authority to replace members and specifies that replacement of members needs to meet the criteria described earlier. It is reasonable to assume that members will need to be replaced due to circumstances which make it impossible for them to continue to serve on the advisory committee, such as changing jobs, moving out-of-state, or members having limitations on their time and cannot serve any longer. The commissioner is qualified to determine when a member needs to be replaced and who will fill the vacancy.

Subp. 2. Task force duties. The task force shall review each application for a loan under Minnesota Statute, Section 116J.36 and parts 4200.4500 to 4200.5000 and shall advise and assist the commissioner in carrying out his or her responsibilities. The commissioner shall retain final responsibility for all statutory and rule requirements.

This subpart is needed to clarify the duties that the advisory task force will be expected to carryout. It is also needed to specify that the commissioner does hold final authority for all requirements. It is reasonable to assume an applicant will want to know where the task force's responsibilities end and the commissioner's begin.

#### 4200.2750 PROCEDURES FOR APPLICATION PROCESSING

Subpart 1. Deadline for submission. The applicant shall submit a complete application to the commissioner by the first business day of any month in order for the commissioner to submit the application to the authority to consider it in that month. If an application is received after the first of the month and can be reviewed by the commissioner for

eligibility and financial feasibility prior to the authority agenda deadline, the commissioner shall submit the application to the authority for consideration of the application at the meeting in that month.

This information is needed because the applicant needs to be informed about the monthly deadline for submitting an application. Because of the time necessary to review each application, this deadline is reasonable. However, if a deadline is missed, the applicant is assured that, if time is available, the late application will be reviewed. This is reasonable assurance to an applicant that efforts are being made to assist them in the loan approval process. Complete applications are necessary because the authority meets only once each month and the agenda for this monthly meeting is quickly filled. This tight time frame allows no time for the authority to review incomplete applications.

Subp. 2. Completed applications. An application is complete when the commissioner receives all required documentation and exhibits under 4200.4500 to 4200.5000.

This is needed because it informs the applicant when the application is considered complete and there will be no misunderstanding about that point. It is reasonable to clarify what will constitute a complete application.

Subp 3. Incomplete applications. If an incomplete application is received, the commissioner shall notify the applicant of specific deficiencies in the application. The applicant has 60 days from the date of mailing of the commissioner's notification to complete the application.

If the application is not completed and received by the commissioner within 60 days, the application is considered to be rejected and the applicant must reapply to be further considered

This subpart is needed to explain to applicants the procedure which will be followed in all cases of incomplete applications. It is reasonable to require the information be forwarded to the commissioner within 60 days, since this should be an adequate amount of time to collect information. It is also reasonable to require an applicant to re-apply if the information is not forwarded within 60 days, since after that amount of time aspects of the project may have altered and, therefore, need to be re-evaluated. This subpart is also needed to eliminate incomplete applications which would be pending for months and months with no action being taken on them.

Subp. 4. Review of eligibility of project and applicant. The commissioner shall review all completed applications to determine if the project and the applicant are eligible and meet the requirements of Minnesota Statutes, Section 116J.36 and parts 4200.2100 to 4200.2750.

This is needed to inform all applicants that they and their project will be reviewed for eligibility. It is reasonable to inform applicants that this review will take place and to remind them where to find the eligibility requirements.

Subp. 5. Ineligible project or applicant. If the applicant or project is ineligible, the commissioner shall notify the applicant of that fact in writing. The applicant has 30 days from the date of the commissioner's notification to amend the application.



Upon receipt of an amended application, the commissioner shall review the amended application under subpart 4. The commissioner shall reject the amended application if the project or applicant is ineligible. If the project and applicant are eligible, the commissioner shall review the amended application for economic feasibility under subpart 6.

If the application is not amended within 30 days, the application must be rejected and will not receive any further consideration.

This information is needed to inform applicants of the procedure which will be followed in all cases of an ineligible project or applicant. The provisions included here are reasonable, allowing an applicant time to amend an application found ineligible. It is reasonable to assume that if the ineligibility cannot be corrected within this time, then the project should no longer be considered for a loan under this program.

Subp. 6. Economic and technical feasibility review. The commissioner shall review the application in accordance with parts 4200.2600, and this part. Submission of the application by the commissioner to the authority at a board meeting is conclusive evidence that the commissioner has made the determinations required pursuant to this part.

This subpart is needed to clarify when the commissioner's evaluation of an application is complete and a recommendation is finally made. This recommendation is signified by the commissioner submitting the application to the authority. It is reasonable for an applicant to know what are the final procedures of the commissioner .

Subp. 7. Rejection of application based on economic and technical feasibility. If the application is rejected due to economic or technical unfeasibility, the commissioner shall notify the applicant in writing that the application is not economically or technically feasible and that the application has been rejected.

If the application is rejected due to economic or technical feasibility, the applicant may, within 30 days after receipt of the written notification of rejection, request that the commissioner submit the rejected application to the authority for review. The commissioner shall place the application on the agenda for evaluation by the authority under subpart 8 at the next regularly scheduled meeting of the authority for which the agenda has not been established. If the authority rejects the application, the commissioner shall so notify the applicant in writing.

This subpart is needed to inform applicants that if their application is rejected for economic or technical feasibility by the commissioner they will be notified. They are also informed that if they do so request, within 30 days, their rejected application will be submitted to the authority for its review. If approved by the authority, the application will move on to the next step in the processing.

This is a reasonable provision since it gives the applicant a further means of having his application evaluated. Also, the applicant is assured that if the authority approves a previously rejected application, that the application will now be treated like one recommended by the commissioner.

Subp. 8. Authority evaluation procedure. Applications approved for processing by the commissioner must be presented to the authority for approval or disapproval under Minnesota Statutes, Section 116J.36 and parts 4200.4500 to 4200.5000. If the authority approves the application the commissioner shall forward the application to the commissioner of finance who may make loans to the municipality. If the authority disapproves an application, the commissioner shall so notify the applicant in writing.

This is needed to inform the applicants of the final step in processing their application as provided for by the statute and rules. It is reasonable for the applicant to have this information. It is also reasonable for the commissioner to notify the applicant if the application is disapproved.

Parts from these rules which have been repealed can be found, with reasons for repealing, at the end of Minnesota Rules part 4200.4300.

INTRODUCTION

The 1981 Minnesota Legislature enacted the District Heating Bonding Act, Laws of 1981 Chapter 334, codified as Minnesota Statute, Section 116J.36, for the purpose of encouraging the establishment and improvement of economically viable district heating systems which have the potential to save energy and/or displace scarce fuels such as petroleum and natural gas.

Under this 1981 legislation, the Legislative Advisory Commission (LAC) and the Governor were charged with evaluating the projects and recommending loans be made by the commissioner of finance under this program. Permanent rules to administer the program were adopted in February 1983, and reflected the role the LAC and Governor would play in making recommendations to the commissioner of finance, who would make district heating construction loans to a municipality.

However, later in 1983, the legislature created Minnesota Statute, Section 116M.10, Subdivision 6, the Minnesota energy and economic development authority, referred to as the "authority". The authority was charged with evaluating district heating projects and recommending to the commissioner of finance when a district heating construction loan be made.

In 1984, amendments to Minnesota Statute 116J.36 further clarified the role of the authority and commissioner of the department of energy and economic development would play in the operation of the district heating construction loan program.

It has, therefore, become necessary to amend the 1983 permanent rules of the district heating loan program to reflect the 1983 and 1984 statutory changes.

Essentially, the amended construction loan rules deal with the commissioner's administration of the application process. The new permanent authority rules deal with application contents and the authority's role in the application approval process.

The following Statement of Need and Reasonableness describes the changes to the permanent construction loan rules. Deletions from the original rules are indicated by a dashed line through the words to be repealed. Additions to the rules are indicated by underlining. Following each change is an explanation of the need for and reasonableness of each change.

STATE OF MINNESOTA  
DEPARTMENT OF ENERGY AND ECONOMIC DEVELOPMENT

AMENDMENTS TO PERMANENT  
DISTRICT HEATING CONSTRUCTION  
CONSTRUCTION LOAN RULES

STATEMENT OF NEED  
AND REASONABLENESS

4200.3000 DEFINITIONS

Subp. 2. Act Applicability of statute. "Act" means the definitions in Minnesota Statutes, section 116J.36. and parts 8300.0100 apply to parts 4200.3000 to 4200.4300.

It is necessary to eliminate this definition of "act" because it no longer applies. "Act" now refers to Minn. Stat. ch. 116M; so it is reasonable to eliminate this out-of-date definition.

The sentence which has been added is needed to clarify that the definitions already in use in the statutes and rules will also be used here. This is reasonable since it would be an unnecessary duplication of language to repeat the definitions.

Subp. 4a Construction loan. "Construction loan" means a loan to fund all construction costs as defined in Minnesota Statute Section 116J.36 Subdivision 2.

It is necessary to add this definition because these rules govern construction loans, but no definition of what construction costs are covered by the loans was previously included in the rules. It is reasonable to direct the reader to the governing statute's list of costs which are funded by the loan, rather than repeat all covered costs within the rules.

Subp. 11. District heating project. "District heating project" means a district heating construction project as described by the business plan.

It is necessary and reasonable to add the words "district heating" because a definition of "project" has been added to the definitions in part 8300.0100 and it is necessary to differentiate between a "district heating project" and a "project."

It is also necessary and reasonable to eliminate the phrase "as described by the business plan" since a business plan is no longer called for by these amended rules. The information contained in the business plan has been moved to the authority rules for district heating design and construction loans, part 4200.4500 to 4200.5000.

4200.3100 PURPOSE.

The purpose of parts 4200.3000 to 4200.4200 4300 is to allow district heating projects that have already completed comprehensive engineering, economic, and design studies to make prompt and proper application for construction loans. These parts set forth the procedures that municipalities must follow to apply for loans and establish the criteria by which the applications are reviewed.

It is necessary and reasonable to make this numbering change because the amending being done to these rules will result in fewer parts to the rules.

4200.3200 Scope.

Parts 4200.3000 to 4200.4200 4300 apply to the department and to any municipality applying for construction loans under the act Minnesota Statute, Section 116J.36.

It is necessary and reasonable to make this numbering change because the amending being done to these rules will result in fewer parts to the rules.

It is also necessary and reasonable to update the rules by eliminating "the act" and replacing it with "Minnesota Statute, Section 116J.36". "The act" used to refer to Minnesota Statute, Section 116J.36, the statute which governs the Department of Energy and Economic Development and its programs, including district heating. However, Minn. Stat. ch. 116M, created in 1983 the Minnesota Energy and Economic Development Authority and is now referred to as "the act."

#### 4200.3900 APPLICATION PROCEDURES

Subpart 1. Submitting. Application for construction loans under the act Minnesota Statute, Section 116J.36 and parts 4200.3000 to 4200.4200 4300 must be submitted to the commissioner in the form prescribed under parts 4200.4500 to 4200.5000

Subp. 2. Effective date. The period for accepting applications begins on the date parts 4200.3000 to 4200.4200 become effective.

It is necessary and reasonable to eliminate "the act" and replace it with "Minnesota Statute, Section 116J.36" because at the time these rules were adopted "the act" meant the statute now codified as 116J.36. This change, therefore, eliminates the outdated wording.

It is also necessary and reasonable to change 4200.4200 to 4200.4300 because the amending being done to these rules change the number of sections to these rules.

Finally, in the part, it is necessary to make the addition concerning the required form for applications because this information is now contained in the permanent authority rules for district heating design and construction loans.

#### 4200.4000 DISTRICT HEATING ADVISORY TASK FORCE.

Subpart 1. Membership. Under Minnesota Statutes, section 15.014, the assistant commissioner of energy shall appoint a district heating advisory task force consisting of at least four members in addition to the assistant commissioner of energy who shall act a chairperson.

Task force members must be knowledgeable in the area of district heating, but cannot be directly or indirectly involved in any district heating project under consideration by the commissioner.



The assistant commissioner of energy may from time to time add or delete task force members, subject only to the limitations in this subpart.

Subp. 2. Task force duties. The task force shall review each application for a loan under the act Minnesota Statute, Section 116J.36 and parts 4200.4500 to 4200.5000 and shall advise and assist the commissioner in carrying out the requirements of the act and parts 4200.3000 to 4200.4200 his or her responsibilities. The commissioner shall retain final responsibility for all statutory and rule requirements.

It is necessary and reasonable to eliminate the reference to "the act" and replace it with "Minnesota Statute, Section 116J.36" because when these rules were adopted "the act" meant Minn. Stat. 116J.36. However, "the act" now refers to Minn. Stat. Ch. 116M.

It is also necessary and reasonable to eliminate "the requirements of the act and parts 4200.3000 to 4200.4200" and replace it with "his or her responsibilities". This shorter phrase more accurately encompasses the aid given to the commissioner by the advisory task force.

It is also necessary to eliminate references to the "assistant commissioner of energy." In Minnesota Statute, Section 116J.36 subd. 8 the commissioner of the Department of Energy and Economic Development is assigned the duty of submitting to the authority the names of applicants for district heating design and construction loans. Since it is the commissioner's responsibility to evaluate these applicants for economic and technical feasibility, with the aid of the task force, it is

reasonable for the commissioner and not the assistant commissioner to chair the task force.

#### 4200.4050 FEASIBILITY ASSESSMENT.

The commissioner shall review each application as received according to the following feasibility assessment parameters:

B. the debt service coverage represented by the business plan parts 4200.4500 to 4200.5000.

It is necessary and reasonable to eliminate a reference to "the business plan" and replace it with a reference to parts 4200.4500 to 4200.5000 because the business plan is no longer included as a part of these construction rules but is incorporated in parts 4200.4500 to 4200.5000, the authority rules for district heating design and construction loan rules.

#### 4200.2600 PROCEDURES FOR APPLICATION PROCESSING

Subpart 1. Deadline for submission. The applicant shall submit a complete application to the commissioner by the first business day of any month in order for the commissioner to submit the application to the authority to consider it in that month. If an application is received after the first business day of the month and can be reviewed by the commissioner for eligibility and financial feasibility prior to the authority agenda deadline, the commissioner shall submit the application

to the authority for consideration of the application at the meeting in that month.

This information is needed because the applicant needs to be informed about the monthly deadline for submitting an application. Because of the time necessary to review each application, this deadline is reasonable. However, if a deadline is missed, the applicant is assured that, if time is available, the late application will be reviewed. This is reasonable assurance to an applicant that efforts are being made to assist them in the loan approval process. Complete applications are necessary because the authority meets only once each month and the agenda for this monthly meeting is quickly filled. This tight time frame allows no time for the authority to review incomplete applications.

Subp. 2 Completed applications. An application is complete when the commissioner receives all required documentation and exhibits under Minnesota Statute, Section 116J.36 and parts 4200.4500 to 4200.5000.

This is needed because it informs the applicant when the application is considered complete and there will be no misunderstanding about that point. It is reasonable to clarify what will constitute a complete application.

Subp. 3 Incomplete application. If an incomplete application is received, the commissioner shall notify the applicant of specific deficiencies in the application. The applicant has 60 days from the date of mailing of the commissioner's notification to complete the

application. If the application is not completed and received by the commissioner within 60 days, the application is considered to be rejected and the applicant must reapply to be further considered.

This subpart is needed to explain to applicants the procedure which will be followed in all cases of incomplete applications. It is reasonable to require the information be forwarded to the commissioner within 60 days, since this should be an adequate amount of time to collect information. It is also reasonable to require an applicant to re-apply if the information is not forwarded within 60 days, since after that amount of time aspects of the project may have altered and, therefore, need to be re-evaluated. This subpart is also needed to eliminate incomplete applications which would be pending for months and months with no action being taken on them.

Subp. 4 Review of eligibility of project and applicant. The commissioner shall review all completed applications to determine if the project and applicant are eligible and meet the requirements of Minnesota Statutes, Section 116J.36.

Subp. 5. Ineligible project or applicant. If the applicant or project is ineligible, the commissioner shall notify the applicant of that fact in writing. The applicant has 30 days from the date of the commissioner's notification to amend the application.

Upon receipt of an amended application, the commissioner shall review the amended application under subpart 4. The commissioner shall reject the amended application if the project or applicant is ineligible. If the

project and applicant are eligible, the commissioner shall review the amended application for economic feasibility under subpart 6.

If the application is not amended within 30 days, the application must be rejected and will not receive any further consideration.

This information is needed to inform applicants of the procedure which will be followed in all cases of an ineligible project or applicant. The provisions included here are reasonable, allowing an applicant time to amend an application found ineligible. It is reasonable to assume that if the ineligibility cannot be corrected within this time, then the project should no longer be considered for a loan under this program.

Subp. 6. Economic and technical feasibility review. The commissioner shall review the application in accordance with parts 4200.4050, and 4200.4100. Submission of the application by the commissioner to the authority at a board meeting is conclusive evidence that the commissioner has made the determinations required pursuant to parts 4200.3000 to 4200.4300.

This subpart is need to clarify when the commissioner's evaluation of an application is complete and a recommendation is made. This recommendation is signified by the commissioner submitting the application to the authority. It is reasonable for an applicant to know the final procedures of the commissioner.

Subp. 7. Rejection of application based on economic or technical unfeasibility. The commissioner shall notify the applicant in writing if the application is not economically or technically feasible and the application is rejected.

If the application is rejected due to economic or technical unfeasibility, the applicant may, within 30 days, after receipt of the written notification of rejection, request the the commissioner submit the rejected application to the authority for review. The commissioner shall place the application on the agenda for evaluation by the authority under subpart 8 at the next regularly scheduled meeting of the authority for which the agenda has not been established. If the authority rejects the application, the commissioner shall so notify the applicant in writing.

This subpart is needed to inform applicants that if their application is rejected for economic or technical feasibility by the commissioner they will be notified. They are also informed that if they do so request, within 30 days, their rejected application will be submitted to the authority for its review. If approved by the authority, the application will move on to the next step in the processing.

This is a reasonable provision since it gives the applicant a further means of having his application evaluated. Also, the applicant is assured that if the authority approves a previously rejected application, that the application will now be treated like one recommended by the commissioner.

Subp. 8 Authority evaluation procedure. Applications approved for processing by the commissioner must be presented to the authority for approval or disapproval under Minnesota Statutes, Section 116J.36 and parts 4200.4500 to 4200.5000. If the authority approves the application the commissioner shall forward the application to the commissioner of finance who may make loans to the municipality. If the authority

disapproves an application, the commissioner shall so notify the applicant in writing.

This is needed to inform the applicants of the final step in processing their application as provided for by the statute and rules. It is reasonable for the applicant to have this information. It is also reasonable for the commissioner to notify the applicant if the application is disapproved.

REPEALER

4200.2100 DEFINITIONS

Subpart 3. Commissioner.

It is necessary and reasonable to repeal this term because the definition is found in Minnesota Rules part 8300.0100 and so it does not need to be repeated here.

Subpart 6. Preliminary engineering design.

It is necessary and reasonable to repeal this definition since it is no longer used in these amended rules.

4200.2400 APPLICATION CONTENTS

The 1983 Minnesota Statute chapter 116M created the Minnesota Energy and Economic Development Authority which has the power to recommend to the commissioner of finance that a district heating design or construction loan be made to a municipality. It has, therefore, become necessary for permanent rules which clarify the duties and responsibilities of the commissioner and the authority. It is, therefore, necessary and reasonable to repeal this part because its contents are now incorporated into the permanent authority rules for district heating design and construction loans. Minnesota Statutes, section 116J.36 subdivision 5 states, "Application for a loan to be made pursuant to subdivision 6 or 7 shall be made by a municipality to the authority on a form prescribed by the authority." Therefore, APPLICATION CONTENTS are appropriately found in the authority's rules.



4200.2500 CONTENTS OF COMPREHENSIVE BUSINESS PLAN

For the same reasons as the previous part, this part is repealed because its contents are now incorporated into the permanent authority rules for district heating design and construction loans.

4200.2700 EXPENDITURES NOT REQUIRED

This part is repealed due to there being no sufficient need to continue to include this information in these rules. It is reasonable that with no need for this part, this part should be repealed.

4200.3000 DEFINITIONS

Subpart 3. Assistant Commissioner of energy.

It is necessary and reasonable to eliminate this definition since it is no longer used in these amended rules.

Subpart 4. Commissioner.

It is necessary and reasonable to repeal this term because the definition is found in Minnesota Rules part 8300.0100 and so it does not need to be repeated here.

Subpart 9. Gross revenues.

It is necessary and reasonable to eliminate this term because it is no longer used in these amended rules.

Subpart 10. Operating expenses.

It is necessary and reasonable to eliminate this term because it is no longer used in these amended rules.

4200.3300 CONTENTS OF APPLICATION.

In 1983, Minn. Stat. ch. 116M created the Minnesota Energy and Economic Development Authority which was then given the authority to recommend to the commissioner of finance that a district heating design or construction loan be made to a municipality. It has therefore become necessary for the district heating program to write permanent rules which clarify the duties and responsibilities of the authority.

It is, therefore, necessary and reasonable to repeal this part because its contents are now incorporated into the permanent authority rules for district heating design and construction loans. Minnesota Statute, Section 116J.36 subd. 5 states, "Application for a loan to be made pursuant to subdivision 6 or 7 shall be made by a municipality to the authority on a form prescribed by the authority." Therefore, CONTENTS OF APPLICATION are appropriately found in the authority's rules.

4200.3400 COMPREHENSIVE BUSINESS PLAN.

For the same reasons as the two previous parts, it is necessary and reasonable to repeal this part. Its contents are now incorporated into the permanent authority rules for district heating design and construction loans.

4200.3600 MARKET STUDY.

For the same reason as the three previous parts, it is necessary and reasonable to repeal this part. Its contents are now incorporated into the permanent authority rules for district heating design and construction loans.

4200.3700 ECONOMIC ANALYSIS.

For the same reason as the four previous parts, it is necessary and reasonable to repeal this part. Its contents are now incorporated into the permanent authority rules for district heating design and construction loans.

4200.3800 RESOLUTION IN SUPPORT OF PROJECT.

For the same reason as the five previous parts, it is necessary and reasonable to repeal this part. Its contents are now incorporated into the permanent authority rules for district heating design and construction loans.