



**MINNESOTA
DEPARTMENT OF
COMMERCE**

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REVISOR OF STATUTES

Governor Tim Pawlenty
130 State Capitol
St. Paul, MN 55155

Michele Timmons
Revisor of Statutes
700 State Office Building
St. Paul, MN 55155

Senator James P. Metzen
President of the Senate
322 State Capitol
St. Paul, MN 55155

Representative Steve Sviggum
Speaker of the House
463 State Office Building
St. Paul, MN 55155

Senator Richard J. Cohen
Chair, Finance Committee
317 State Capitol
St. Paul, MN 55155

Representative Torrey Westrom
Chair, Regulated Industries Committee
381 State Office Building
St. Paul, MN 55155

Senator Linda Scheid
Chair, Commerce Committee
303 State Capitol
St. Paul, MN 55155

Representative Gregory Davids, Chair
Commerce, Jobs & Economic Development Committee
379 State Office Building
St. Paul, MN 55155

Senator Steve Murphy
Chair, Transportation Policy
and Budget Division
306 State Capitol
St. Paul, MN 55155

Representative Bob Gunther
Chair, Jobs & Economic
Development Finance Committee
485 State Office Building
St. Paul, MN 55155

RE: Annual Report on Obsolete, Unnecessary, or Duplicative Rules as Required by
Minnesota Statutes Section 14.05, Subdivision 5.

Dear Governor Pawlenty, Senators, Representatives and Revisor Timmons:

Minnesota Statutes, section 14.05, subdivision 5, directs state agencies to report to you by December 1 of each year whether any of their rules are obsolete, unnecessary, or duplicative of other state or federal statutes or rules.

The Minnesota Department of Commerce has reviewed its rules and found that the following rules are obsolete, unnecessary, or duplicative of other federal statutes or rules:

(1) Minnesota Rules Chapter 7635: Residential Energy Conservation Program

These rules provide minimum energy efficiency standards for residential buildings, procedures for energy audits and certification of energy auditors. These rules were intended to implement a federal program that was repealed early in the Reagan Administration. The rules are now out of date. Recent analysis of these rules by an advisory committee representing energy auditors and energy utilities resulted in recommending repeal. Chapter 7635 should be repealed in its entirety.

(2) Minnesota Rules chapter 7655: Energy Audits; Rental Buildings

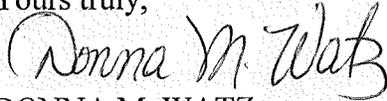
These rules provide minimum efficiency standards for residential buildings (in particular, rental property), procedures for energy audits and certification of energy auditors. These rules have never been enforced. In the early 1980s, the Department was preparing a proactive enforcement initiative, but a budget shortage prevented implementation. In February 2003, an advisory committee representing energy auditors, rental property owners as well as tenant advocacy groups agreed that it is doubtful that these rules have resulted in any energy being saved and that the approach is unreasonable. Chapter 7655 should be repealed in its entirety.

The Department intends to seek approval from the Governor's Office to repeal chapters 7635 and 7655 as part of legislative initiatives for the 2005 Legislative Session. These initiatives will also involve the amendment or repeal of certain related statutory sections.

If you have any questions regarding this report, please contact:

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Yours truly,



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DMW/hr

c Commissioner Glenn Wilson
Deputy Commissioner Patrick Nelson