

SENATE
STATE OF MINNESOTA
EIGHTY-EIGHTH SESSION

S.F. No. 2448

(SENATE AUTHORS: MARTY)

DATE	D-PG	OFFICIAL STATUS
03/10/2014	6066	Introduction and first reading Referred to Environment and Energy
03/17/2014	6255a 6274	Comm report: To pass as amended Second reading
04/24/2014	8266	HF substituted on General Orders HF2834 See HF2854, Art. 1, Sec. 29, 58 Sub. 1(b) and 2(b) and Art. 2, Sec. 14

A bill for an act

1.1 relating to energy; eliminating antiquated, unnecessary, redundant, or obsolete
 1.2 laws and rules; making conforming changes; amending Minnesota Statutes
 1.3 2012, sections 216C.03; 256E.25, subdivision 5a; repealing Minnesota Statutes
 1.4 2012, sections 216C.14; 216C.262; 216C.263; 216C.373; 216C.38; 216C.44;
 1.5 Minnesota Rules, parts 7606.0010; 7606.0020; 7606.0030; 7606.0040;
 1.6 7606.0050; 7606.0060; 7606.0070; 7606.0080; 7630.0110; 7630.0120;
 1.7 7630.0200; 7630.0210; 7630.0220; 7630.0300; 7630.0310; 7630.0320;
 1.8 7630.0330; 7630.0340; 7630.0350; 7630.0360.
 1.9

1.10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.11 Section 1. Minnesota Statutes 2012, section 216C.03, is amended to read:

1.12 **216C.03 STATE GOVERNMENT ENERGY-SAVINGS PLAN.**

1.13 The commissioner of commerce, in coordination with the commissioners of the
 1.14 agencies listed in section 15.01, the chancellor of the Minnesota State Colleges and
 1.15 Universities, and the president of the University of Minnesota, shall identify policy options,
 1.16 barriers, and economic benefits and costs for state government operations to achieve the
 1.17 energy-savings goals in section 216B.2401 and the resulting carbon emissions reductions.
 1.18 ~~The commissioner of commerce must issue a report to the legislature by February 1, 2008.~~

1.19 Sec. 2. Minnesota Statutes 2012, section 256E.25, subdivision 5a, is amended to read:

1.20 Subd. 5a. **Excluded programs.** Programs transferred to the Department of
 1.21 Education from the Department of Employment and Economic Development may not be
 1.22 included in the consolidated funding account and are ineligible for local consolidation.
 1.23 The commissioner may not apply for federal waivers to include these programs in funding
 1.24 consolidation initiatives. The programs include the following:

1.25 (1) programs for the homeless under sections 116L.365 and 256E.33;

- 2.1 (2) emergency energy assistance ~~and energy conservation programs~~ under sections
2.2 ~~216C.263~~ and section 216C.265;
- 2.3 (3) weatherization programs under section 216C.264;
- 2.4 (4) food shelf programs under section 256E.34 and the emergency food assistance
2.5 program; and
- 2.6 (5) lead abatement programs under section 256E.37.

2.7 Sec. 3. **REPEALER.**

2.8 (a) Minnesota Statutes 2012, sections 216C.14; 216C.262; 216C.263; 216C.373;
2.9 216C.38; and 216C.44, are repealed.

2.10 (b) Minnesota Rules, parts 7606.0010; 7606.0020; 7606.0030; 7606.0040;
2.11 7606.0050; 7606.0060; 7606.0070; and 7606.0080, are repealed.

2.12 (c) Minnesota Rules, parts 7630.0110; 7630.0120; 7630.0200; 7630.0210;
2.13 7630.0220; 7630.0300; 7630.0310; 7630.0320; 7630.0330; 7630.0340; 7630.0350; and
2.14 7630.0360, are repealed.

216C.14 COMMUNITY ENERGY PLANNING; GRANTS.

Subdivision 1. **Purpose.** In order to improve the energy planning capabilities of local governments, the commissioner shall make grants to counties and cities, however organized. The commissioner when making grants shall give priority to those units of government that submit proposals that could result in significant savings of traditional energy sources, development of renewable energy systems, and broad community involvement. The commissioner shall give priority to local units of government that provide staff or other support for a program and who request grants for programs which can be duplicated by other local governments. The grants may be used to purchase materials, employ staff or contract with other units of government or qualified consultants.

The commissioner shall not make grants of more than 45 percent of the amount appropriated for those purposes to cities and counties located within the seven-county metropolitan area. A single grant to a city or county shall not exceed \$50,000.

Subd. 2. **Qualifying expenditures.** Community energy planning grants may be used for the following purposes:

- (1) to gather, monitor, and analyze local energy supply, demand, and cost information;
- (2) to prepare comprehensive community energy plans;
- (3) to implement comprehensive energy plans that the unit of government is authorized to undertake for the management of problems resulting from:
 - (i) rising energy cost;
 - (ii) lack of efficient public and private transportation;
 - (iii) lack of community conservation efforts;
 - (iv) lack of widespread renewable energy sources; and
 - (v) lack of energy components in comprehensive plans and local ordinances;
- (4) to assist neighborhood organizations in counties and cities to do energy planning by making grants to the local unit of government; and
- (5) any other purposes deemed appropriate by the commissioner.

Subd. 3. **Administration; rules.** The commissioner shall determine priorities pursuant to subdivisions 1 and 2, and shall promulgate rules for the submission and review of applications in accordance with the provisions of chapter 14.

216C.262 OPTIMAL LOW-INCOME WEATHERIZATION.

The commissioner shall contract with the Building Energy Research Center at the University of Minnesota for the purpose of determining optimal weatherization for low-income weatherization programs. The alternative energy engineering activity shall provide technical assistance.

216C.263 OIL OVERCHARGE MONEY FOR ENERGY CONSERVATION.

The oil overcharge money that is not otherwise appropriated by law or dedicated by court order is appropriated to the commissioner for energy conservation projects that directly serve low-income Minnesotans. This appropriation is available until spent.

216C.373 SUPERINSULATED HOME DEMONSTRATION PROJECT.

The superinsulated home demonstration project funded under Laws 1981, chapter 356, section 30, shall be continued under the direction of the commissioner and the center to monitor and document new projects and projects in progress. The project shall:

- (1) work with the financial community to bring energy cost and savings into mortgage underwriting standards;
- (2) develop a definition of superinsulation for use by financial institutions.

216C.38 BUILDING ENERGY RESEARCH CENTER.

Subdivision 1. **Energy partnership.** To improve the energy efficiency of buildings, the commissioner shall administer a Building Energy Research Center that shall be a cooperative effort among the commissioner, the University of Minnesota, technical colleges, and certain associations and businesses from the private sector. The center's goal is to become a nationally recognized center for building research.

Subd. 2. **Purpose.** The purpose of the Building Energy Research Center is to:

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- (1) conduct studies of Minnesota building experience;
- (2) disseminate information acquired relating to building energy efficiency;
- (3) conduct continuing education courses;
- (4) provide limited energy and design consultation services for innovative projects;
- (5) coordinate and stimulate research efforts; and
- (6) seek private sector pledges to match appropriations for this program.

216C.44 BUSINESS ENERGY USE ACCOUNTABILITY.

Subdivision 1. **Citation.** This section may be cited as the Business Energy Accountability Act of 2008.

Subd. 2. **Definition.** For the purpose of this section, "municipality" means a statutory or home rule charter city or town, or county for unincorporated areas of a county.

Subd. 3. **Energy accountability form.** The commissioner of commerce shall create an energy inventory form for use by a municipality for purposes of subdivision 4. The form must be designed so a business can enter information concerning the following energy uses for the business:

- (1) total gross electric use per year;
- (2) electric supplier;
- (3) total gross natural gas use per year;
- (4) natural gas supplier;
- (5) heating type;
- (6) air conditioning type and use per year;
- (7) business-owned motor vehicles;
- (8) miles traveled by business-owned motor vehicles;
- (9) chemicals used, including oils and cleaners;
- (10) water use per year; and
- (11) industrial sewage discharge.

The annual total gross use information required by clauses (1) and (3) must not require itemization by a business of each end use of electricity and natural gas.

The form must be designed, to the extent possible, so that its use by a municipality may qualify for grants.

Subd. 4. **Municipal inventory.** A municipality applying for grants or doing inventories covered under subdivision 3 must make the state form available to businesses located within the municipality the inventory form prescribed by subdivision 3. The business is not required to complete the inventory but may elect to do so and provide the completed inventory to the municipality.

Subd. 5. **Data practices.** Data provided by a business on the completed inventory for business energy use accountability is nonpublic as defined in section 13.02.

7606.0010 AUTHORITY AND PURPOSE.

Subpart 1. **Authority.** Minnesota Statutes, section 216C.09, paragraph (a), clause (13), requires the commissioner of the Department of Commerce to adopt rules for the purpose of dispensing loans, grants, or other financial aid from money received from litigation or settlement of alleged violations of federal petroleum-pricing regulations made available to the department for that purpose.

Subp. 2. **Purpose.** The purpose of parts 7606.0020 to 7606.0080 is to establish application procedures for financing participation, to set criteria for review and approval of financing participation applications, and to set criteria for financing participation agreements.

7606.0020 DEFINITIONS.

Subpart 1. **Scope.** For the purposes of parts 7606.0010 to 7606.0080, the following terms have the meanings given them.

Subp. 2. **Applicant.** "Applicant" means the state of Minnesota, a statutory or home rule charter city, county, or town, or a school or hospital as defined in this part, located in Minnesota, or joint power entity consisting of these units, that is making application for financing participation under this program.

Subp. 3. **Building.** "Building" means any separate structure owned and operated by an applicant.

Subp. 4. **Commissioner.** "Commissioner" means the commissioner of the Department of Commerce.

Subp. 5. **Conservation measure.** "Conservation measure" means an installation or modification of an installation to a building or stationary energy-using system that is primarily intended to reduce energy consumption or allow the use of an alternative energy source including solar, wind, peat, wood, and agricultural residue.

Subp. 5a. **Energy benchmark.** "Energy benchmark" means:

A. for public buildings, the energy efficiency benchmark required under Laws 2002, chapter 398; or

B. for buildings outside of the scope of item A, the energy efficiency benchmark derived by either:

(1) the procedures used to comply with Laws 2002, chapter 398; or

(2) the Portfolio Manager tool of the Energy Star Program of the United States Environmental Protection Agency and the United States Department of Energy.

Subp. 6. **Hospital.** "Hospital" means a facility licensed under Minnesota Statutes, sections 144.50 to 144.56.

Subp. 7. [Repealed, 31 SR 1605]

Subp. 8. **Payback.** "Payback" means the simple payback that is equal to the sum of the design, acquisition, and installation costs of a conservation measure divided by the estimated first year energy cost savings attributable to that measure.

Subp. 9. **Project.** "Project" means all proposed work in a financing participation application.

Subp. 10. **School.** "School" means a public or a private institution:

A. that provides, and is legally authorized to provide, elementary education or secondary education or both on a day or residential basis;

B. that:

(1) provides, and is legally authorized to provide, a program of education beyond secondary education on a day or residential basis;

(2) admits as students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such certificate;

(3) is accredited by a nationally recognized accrediting agency or association; and

(4) provides an educational program for which it awards a bachelor's degree or higher degree or provides not less than a two-year program which is acceptable for full credit toward such a degree at any institution which meets the preceding requirements and which provides such a program; or

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C. that provides not less than a one-year program of training to prepare students for gainful employment in a recognized occupation and which meets the provisions in item B, subitems (1) to (3).

7606.0030 FINANCING ELIGIBILITY CRITERIA.

Subpart 1. **In general.** The commissioner shall approve applications from applicants and participate in financing from financing providers to applicants in compliance with parts 7606.0010 to 7606.0080 for conservation measures that have a payback of ten years or less. The commissioner shall not approve any application for which funds are not available to purchase financing participation.

Subp. 2. **Eligibility.** Funds are available to participate in financing from financing providers to applicants for:

A. a conservation measure not previously approved under this program, unless the measure has exceeded its normal useful life;

B. cost overruns for a previously approved conservation measure in progress, or previously unidentified but related work necessary for successfully implementing a previously approved conservation measure, provided the conservation measure as amended continues to meet the requirements of parts 7606.0010 to 7606.0080.

Subp. 3. **Prior approval required.** Except for the measures in subpart 2, item B, conservation measures for which acquisition or installation have been contracted for or begun before approval by the commissioner are ineligible. This prior approval requirement does not apply to design activities.

Subp. 4. **Useful life.** Financing participation must not be approved for buildings with a remaining useful life less than or equal to the payback of the conservation measure proposed. Financing participation must not be approved for a conservation measure if the payback of the conservation measure proposed is greater than or equal to the useful life of the measure.

Subp. 5. **New construction.** Only conservation measures for existing buildings are eligible. New construction is eligible only if it is necessary for successful implementation of a conservation measure for an existing building.

7606.0040 FINANCING PARTICIPATION LIMITS.

The commissioner will participate in financing from a financing provider to an applicant up to a maximum of 50 percent of the financing principal or \$500,000, whichever is less. While the commissioner may participate in more than one financing agreement per applicant, the total outstanding participation balance under this program for any one applicant may not exceed \$500,000.

7606.0050 APPLICATION CONTENTS.

Subpart 1. **In general.** An applicant shall submit a complete application to the commissioner on a form provided by the commissioner. An application must be signed in ink by an authorized official of the applicant, must include the authorized official's title, and must be dated.

Subp. 2. **Contents.** An application must contain, at a minimum:

A. the name and complete mailing address, including county, of the applicant;

B. a contact person's name, title, telephone number, and e-mail address;

C. a list of buildings included in the application and the dollar amount requested per building;

D. the name, address, and total floor area in square footage of each building;

E. the original construction date and addition construction dates of each building;

F. the state legislative districts affected by the application;

G. a summary description of each proposed conservation measure, including its estimated cost, financing amount proposed, estimated annual energy cost savings, estimated annual fuel and electric savings, estimated payback, and estimated dates the conservation measure will be started and completed; and

H. a resolution of the governing body of the applicant that:

(1) designates and authorizes a representative to enter into and sign contracts associated with the financing;

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(2) guarantees that the applicant will use all financing funds solely for the approved conservation measures; and

(3) assures that it will comply with parts 7606.0010 to 7606.0080.

Subp. 3. **Technical support materials.** All applications for financing must also contain:

A. fuel and electric consumption data and the energy benchmark for the most recently completed calendar or fiscal year, for each building in the application;

B. a description of the current condition of the building and the building component, equipment, or system to be improved, and a description of each proposed conservation measure;

C. an engineering analysis sufficient to determine the technical feasibility and payback of each proposed conservation measure and how energy savings will be measured, on a form prescribed by the commissioner.

Subp. 4. **Assurances.** An applicant must also submit assurances that:

A. it has provided for the proper and efficient operation and maintenance of the proposed conservation measures;

B. the work performed with financing funds will meet all Minnesota Building Code requirements;

C. it has provided funds to pay any portion of the project cost not eligible for program funds, specifically identifying the source of those funds;

D. it has met requirements for voter approval, if applicable; and

E. it is able to accept and repay the proposed financing without exceeding applicable debt and levy limits.

Subp. 5. **Incomplete applications.** If an incomplete application is received, the commissioner shall notify the applicant of specific deficiencies in the application. The applicant has 30 days from the date of the commissioner's notification to complete the application. If the application is not completed and received by the commissioner within 30 days, the application is considered withdrawn. To be further considered, the applicant must reapply.

7606.0060 APPLICATION REVIEW.

Subpart 1. **Administrative review.** The commissioner shall examine a financing participation application to verify that the applicant is eligible, that the required forms are included and correctly completed, that the estimated start and completion dates are reasonable, that the required assurances and resolution are included, and that the application is properly signed and dated.

Subp. 2. **Technical review.** The commissioner shall examine the technical support materials included in an application to verify that the proposed conservation measures are analyzed with adequate details of existing conditions and proposed modifications or additions, that the appropriate calculation procedures are used, that the proposed conservation measures are eligible, and that the proposed conservation measures are technically feasible and meet the requirements of parts 7606.0010 to 7606.0080.

Subp. 3. **Rejection and resubmission.** The commissioner may accept, reject, or modify an application as necessary based on the application review. The commissioner shall notify an applicant of the cause for modification or rejection of an application and the options available to correct the application for resubmission. If some of the conservation measures in an application are accepted as submitted, the applicant may choose to withdraw the rejected measures and accept financing for the remaining measures.

7606.0070 FINANCING PROVIDER.

To be eligible to sell financing participation to the commissioner, an officer of a financing provider must sign a participation agreement provided by the commissioner. The commissioner shall not participate in any financing made by a financing provider before the execution of a participation agreement. The agreement shall set terms and conditions under which financing can be made, establish duties of the parties, and specify procedures to be followed in the event of default by the applicant. The agreement must require the financing provider and the commissioner to conform to the following conditions:

A. The financing provider will enter into a financing agreement with the applicant. The financing agreement will include the following:

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(1) an agreement that the commissioner may review upon request all relevant financial data of the applicant and may inspect any and all buildings, equipment, and systems associated with financing; and

(2) a resolution of the applicant's governing body guaranteeing that it will use all financing funds solely for the eligible costs of the proposed project, and assuring that it has complied and will comply with parts 7606.0010 to 7606.0080.

B. The financing provider shall make no provision to subordinate any financing collateral to other liens against such property without prior written approval from the commissioner.

C. The financing provider shall not acquire any preferential collateral, surety, or insurance to protect its interest in the financing.

D. All collateral must be prorated between the financing provider and the commissioner.

E. The financing provider shall require the applicant to adequately insure, maintain, and repair all collateral.

F. The financing provider shall review and approve the financing application in accordance with generally accepted commercial lending practices.

G. The financing provider is responsible for servicing the financing either directly or by contracting with a servicing agent.

H. The financing provider shall not sell or transfer the financing or any portion of it without prior written approval of the commissioner.

I. The financing provider, for the term of the entire financing, shall promptly notify the commissioner of any financing payments that are one month overdue. The financing provider shall provide the commissioner with any and all past due notices at the same time they are sent to the applicant. In addition, the financing provider shall submit an annual financing performance report to the commissioner on a form provided by the commissioner.

J. The portion of the financing participated in by the commissioner must have an amortization term not exceeding five years.

K. The financing provider agrees not to make any amendments to the financing agreement after financing closing without prior written approval of the commissioner.

L. The financing provider agrees to make no waivers of default without prior written approval of the commissioner.

M. The commissioner may review all financial data associated with the execution and servicing of the financing made by the financing provider.

N. Before a declaration of default, any and all payments received by the financing provider must first be credited to interest due and the remainder credited to the principal balance. A pro rata distribution of interest and principal must be forwarded to the commissioner based on the commissioner's percentage of participation.

O. During an event of default for which a declaration of default has been declared, any and all payments received by the financing provider must first be used to pay the reasonable expenses related to the collection of, or attempts to collect, money owed under the financing. After payment of these amounts, any and all payments received by the financing provider must first be credited to the principal balance due on a pro rata basis, and then be credited to interest due on a pro rata basis.

P. If the commissioner determines that an applicant has failed to comply with the start or completion dates given in the financing participation application as approved, and the applicant cannot reasonably justify this failure to comply, the financing provider shall, upon written request of the commissioner, declare the financing to be in default.

7606.0080 REPORTS AND MONITORING.

Subpart 1. **In general.** An applicant that receives financing in which the commissioner participates shall submit the reports listed in subparts 2 to 5.

Subp. 2. **Annual project status report.** The applicant shall submit to the commissioner, on a form provided by the commissioner, an annual project status report covering the most recent calendar or fiscal year. This report is due each July 31 until the project is completed.

The project status report must indicate the progress of the implementation of the project, problems encountered, the effect of the problems on the project, and the corrective action taken. If at any time the applicant fails to comply with the start or completion dates given in the financing participation application as approved, and if the applicant cannot justify to the commissioner its lack of progress, the financing may be declared in default.

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Subp. 3. **Semiannual financial report.** The applicant shall submit to the commissioner, on a form provided by the commissioner, a semiannual financial status report that indicates expenditures of financing funds through the last date of each report period. This report is due on July 31 for the period January 1 to June 30, and on January 31 for the period July 1 to December 31 until the project is completed.

Subp. 4. **Final reports.** Within 60 days of the completion of the project, the applicant shall submit to the commissioner, on a form provided by the commissioner, a final project status report and a financial status report that gives actual expenditures of the conservation measures implemented. Within one year of the completion of the project the applicant shall submit to the commissioner, on a form provided by the commissioner, a report of the measured energy savings from the energy conservation measures installed.

Subp. 5. **Annual energy report.** The applicant shall submit to the commissioner, on a form provided by the commissioner, an annual fuel and electric consumption report, including the energy benchmark for the 12-month period ending June 30, due each October 31 for the duration of the financing contract period, or for a minimum of three years after project completion if the financing is paid in less than three years, unless the commissioner cancels this requirement before the end of the financing contract period.

7630.0110 PURPOSE OF RULES.

The purpose of this chapter is to specify the contents of applications for variances to the statutory prohibition on use of decorative gas lamps and to specify the criteria according to which variances shall be granted pursuant to Laws of Minnesota 1976, chapter 333, section 6, codified as Minnesota Statutes 1976, section 116H.12, subdivision 3b.

7630.0120 SCOPE OF RULES.

Subpart 1. **Prohibitions.** Beginning April 21, 1977, no person shall use any device installed for the purpose of producing illumination by burning natural, mixed, or LP gas and utilizing either a mantle or an open flame, unless a variance has been granted pursuant to this chapter.

Beginning April 21, 1977, no person shall provide replacement parts or service intended to maintain the operation of a decorative gas lamp, unless the owner of such lamp has been granted a variance pursuant to this chapter.

Subp. 2. **Exception.** This chapter shall not apply to portable camp lanterns utilizing fuel oil, white gas, or LP gas.

7630.0200 VARIANCE CRITERIA.

Subpart 1. **Open flame decorative gas lamps.** No variance shall be granted for open flame decorative gas lamps.

Subp. 2. **Decorative gas lamps with incandescent mantles.** The director shall grant a variance to an applicant who owns decorative gas lamps with incandescent mantles if the applicant satisfies either of the following criteria:

A. Any home owner who is at least 65 years of age as of April 21, 1977, and who resides at the location listed in response to part 7630.0220, subpart 1, item B, shall receive a variance upon filing a complete application. In the case of joint ownership, the age of only the older owner shall be considered.

B. Any person who does not meet the criteria in item A shall receive a variance only if the lamps for which the variance is sought cannot be economically converted to electricity. However, that person shall receive, without application therefor, a construction season variance valid until September 30, 1977. A lamp cannot be economically converted to electricity if the total conversion cost (see part 7630.0300) exceeds the total economic benefit of conversion (see parts 7630.0310 to 7630.0360).

C. Any person whose dwelling is illuminated by decorative gas lamps because it is not served by an electric utility is deemed unable to economically convert such lamps to electricity and to have been granted a variance pursuant to this chapter, which variance shall be effective only so long as that dwelling is not served by an electric utility.

7630.0210 APPLICATION PROCEDURES AND TIMING.

Subpart 1. **General.** Each applicant for a variance shall apply in the form prescribed by the commissioner (See part 7630.0300).

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Subp. 2. **Deadline for decision.** The commissioner shall make a decision on the variance application within 30 days of receipt of the application, provided the application as filed is complete.

Subp. 3. **Notice of incomplete application.** The commissioner shall notify an applicant within 15 days of the receipt of an application if the application is not complete. Upon such notification, the applicant may correct the deficiencies and resubmit the application. A decision shall be made on the revised application within 30 days of the date of resubmission.

Subp. 4. **Notice of decision.** Upon making the decision, the commissioner shall notify the applicant, the applicant's natural or LP gas supplier, and appropriate local law enforcement agencies.

Subp. 5. **Length of variance.** Each variance granted by the commissioner shall be valid for a period of four years, commencing from the date of the variance grant; provided, however, that a variance granted pursuant to part 7630.0200, subpart 2, item A, shall be valid for the lifetime of the recipient.

7630.0220 FORM OF APPLICATION.

Subpart 1. **Senior citizens.** Each applicant requesting a variance pursuant to part 7630.0200, subpart 2, item A shall submit the following information:

- A. the name of the owner of the decorative gas lamps for which a variance is requested;
- B. the complete address of the property where the lamps are located;
- C. the number of gas lamps at the location listed in response to item B for which the applicant is seeking a variance;
- D. the complete name of the utility that provides gas burned by the gas lamps; and
- E. the birth date of the owner requesting the variance.

Subp. 2. **Others.** Each applicant requesting a variance pursuant to part 7630.0200, subpart 2, item B, shall supply the following information:

- A. The name of the owner of the decorative gas lamps for which a variance is requested.
- B. The complete address of the owner of the lamps and of the property where the lamps are located. If decorative gas lamps are identified by different street addresses but are at physically contiguous locations, one application shall suffice. However, where lamps are located on properties that are not physically contiguous, separate applications must be submitted.
- C. The number of gas lamps at the location listed in response to item B for which the applicant is seeking a variance.
- D. For each gas lamp considered in the response to item C, the number of mantles and whether the mantles are inverted or upright.
- E. For each gas lamp considered in the response to item C, the manufacturer and the model number, if available.
- F. The complete name of the utility that supplies the gas burned by the gas lamps.
- G. The complete name of the utility that supplies the applicant with electricity.
- H. The total conversion cost for lamps considered in the response to item C (see part 7630.0300).
- I. The total economic benefit of conversion for lamps considered in the response to item C (see parts 7630.0310 to 7630.0360).

Subp. 3. **Verification.** Each application for a variance shall be verified, signed, and notarized.

7630.0300 CONVERSION COST.

The total conversion cost can be established only by submitting with the application for variance complete copies of two independent, signed bids from licensed electricians for converting the gas lamps to electricity. The bids must be detailed; simple dollar figures are not sufficient. If the applicant owns ten or more decorative gas lamps that primarily provide security lighting, the applicant shall also provide with the application two independent, signed bids from licensed electricians for replacing the gas lamps with high efficiency electric lighting, such as fluorescent, mercury vapor, or high or low pressure sodium lamps.

7630.0310 CALCULATION PROCEDURE.

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The total economic benefit of conversion will be the sum of the economic benefits of conversion of all gas lamps for which the applicant is requesting a variance. Economic benefit varies with the number of mantles, the placement of the mantles (inverted or upright, and the fuel used), or natural or LP gas. Alternative methods of determining the economic benefit of conversion are provided in parts 7630.0320 to 7630.0360. The applicant may accept and use the figure provided in item A or C of the appropriate part; or the applicant may choose the alternative form provided in item B of the appropriate part.

If the applicant chooses to follow the latter alternative, the formula may be used in any of three ways:

A. The applicant may make the necessary calculations. In that case, all the calculations and all figures used must be shown and included with the application with the source of all figures indicated.

B. The applicant may use the formula with the AMC figures obtained from the applicant's utilities. In that case, the applicant must attach to the application the written statements from the applicant's electric utility and gas utility or supplier by which the applicant obtained the AMC figures.

C. The applicant may provide to the energy agency the applicant's total gas bill and total electric bill for the past 12 months expressed in dollars. The agency staff will estimate the economic benefit of conversion for applicant's lamps by using the bill totals provided and the current rates per unit of energy assessed by applicant's utilities for an average house with the same total electric and gas bills.

7630.0320 GAS LAMPS WITH ONE MANTLE.

Subpart 1. **Gas lamps burning natural gas.** An applicant whose gas lamp burns natural gas may use as the economic benefit of conversion for each gas lamp, any of the following numbers:

- A. \$255;
- B. the quantity determined from the formula: $(168 \times \text{AMC per MCF for natural gas}) - (1460 \times \text{AMC per KWH for electricity})$; or
- C. \$170, if equipped with an automatic turndown device installed before 1975.

Subp. 2. **Gas lamps burning LP gas.** An applicant whose gas lamp burns LP gas may use as the economic benefit of conversion for each gas lamp, either of the following numbers:

- A. \$550; or
- B. the quantity determined from the formula: $(1805 \times \text{AMC per GLPG}) - (1460 \times \text{AMC per KWH for electricity})$.

7630.0330 GAS LAMPS WITH TWO INVERTED MANTLES.

Subpart 1. **Gas lamps burning gas.** An applicant whose gas lamp burns natural gas may use as the economic benefit of conversion for each gas lamp, either of the following numbers:

- A. \$230; or
- B. the quantity determined from the formula: $(168 \times \text{AMC per MCF of natural gas}) - (2190 \times \text{AMC per KWH for electricity})$.

Subp. 2. **Gas lamps burning LP gas.** An applicant whose gas lamp burns LP gas may use as the economic benefit of conversion for each gas lamp, either of the following numbers:

- A. \$525; or
- B. the quantity determined from the formula: $(1805 \times \text{AMC per GLPG}) - (2190 \times \text{AMC per KWH for electricity})$.

7630.0340 GAS LAMPS WITH THREE INVERTED MANTLES.

Subpart 1. **Gas lamps burning natural gas.** An applicant whose gas lamp burns natural gas may use as the economic benefit of conversion for each gas lamp, either of the following numbers:

- A. \$345; or
- B. the quantity determined from the formula: $(241 \times \text{AMC per MCF for natural gas}) - (2738 \times \text{AMC per KWH for electricity})$.

Subp. 2. **Gas lamps burning LP gas.** An applicant whose gas lamp burns LP gas may use as the economic benefit of conversion for each gas lamp either of the following numbers:

- A. \$765; or

APPENDIX

Repealed Minnesota Rule: S2448-1

B. the quantity determined from the formula: $(2590 \times \text{AMC per GLPG}) - (2738 \times \text{AMC per KWH for electricity})$.

7630.0350 GAS LAMPS WITH MORE THAN ONE UPRIGHT MANTLE.

Subpart 1. **Gas lamps burning natural gas.** An applicant whose gas lamp burns natural gas may use as the economic benefit of conversion for each gas lamp, either of the following numbers:

A. \$255 times the number of mantles in each gas lamp; or

B. the quantity determined from the formula: $(168 \times \text{AMC per MCF for natural gas}) - (1460 \times \text{AMC per KWH for electricity}) \times (\text{the number of mantles in each gas lamp})$.

Subp. 2. **Gas lamps burning LP gas.** An applicant whose gas lamp burns LP gas may use as the economic benefit of conversion for each gas lamp, either of the following numbers:

A. \$550 times the number of mantles in each gas lamp; or

B. the quantity determined from the formula: $(1805 \times \text{AMC per GLPG}) - (1460 \times \text{AMC per KWH for electricity}) \times (\text{the number of mantles in each gas lamp})$.

7630.0360 GAS LAMPS WITH MORE THAN THREE INVERTED MANTLES.

Subpart 1. **Gas lamps burning natural gas.** An applicant whose gas lamp burns natural gas may use as the economic benefit of conversion for each gas lamp, either of the following numbers:

A. \$115 times the number of mantles in each gas lamp; or

B. the quantity determined from the formula: $(84 \times \text{AMC per MCF for natural gas}) - (1095 \times \text{AMC per KWH for electricity}) \times (\text{the number of mantles in each gas lamp})$.

Subp. 2. **Gas lamps burning LP gas.** An applicant whose gas lamp burns LP gas may use as the economic benefit of conversion for each gas lamp, either of the following numbers:

A. \$263 times the number of mantles in each gas lamp; or

B. the quantity determined from the formula: $(903 \times \text{AMC per GLPG}) - (1095 \times \text{AMC per KWH for electricity}) \times (\text{the number of mantles in each gas lamp})$.