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6 MCAR 2

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[REVISOR] ALB/MR AR58

1 Minnesota Energy Agency
 2 Adopted Rules for the Administration and Distribution of
 3 Community Energy Planning Grants
 4 Rules as Adopted

5 6 MCAR S 2.2401 Authority and purpose.

6 A. Authority. Rules 6 MCAR SS 2.2401-2.2409 implementing
 7 the Community Energy Planning Grants Program are promulgated by
 8 the agency pursuant to Minn. Stat. S 116H.089 ~~(1980)~~.

9 B. Purpose. It is the purpose of the Community Energy
 10 Planning Grants Program to improve the energy planning
 11 capabilities of local governments, to conserve traditional
 12 energy sources, to develop renewable energy systems and to
 13 broaden community involvement in the energy planning process.
 14 These rules set forth criteria and procedures for providing
 15 state assistance to counties and cities, however organized.

16 C. Limitation. No more than forty-five percent (45%) of the
 17 amount appropriated for Community Energy Planning Grants shall
 18 be distributed to counties and cities within the seven-county
 19 metropolitan area defined in Minn. Stat. S 473.121, subd. 2
 20 ~~(1980)~~.

21 6 MCAR S 2.2402 Definitions. The following terms used in these
 22 rules 6 MCAR SS 2.2401-2.2409 shall have the following meanings:

23 A. "Agency" means the Minnesota Energy Agency.

1 B. "Local unit of government," for purposes of applying for
 2 grants under this program, means a city, a county or a
 3 combination of such units. A city of the first class may apply
 4 for a grant to assist a neighborhood organization to do
 5 energy-related planning and implementation activities "Local
 6 unit of government" also includes those organizations which the
 7 local unit of government recognizes as capable of, and with
 8 which it may enter into a contract for the purpose of,
 9 performing the authorized energy-related planning and
 10 implementation activities.

11 C. "Neighborhood organizations" means those organizations
 12 recognized by the city government for planning and development
 13 purposes in areas whose boundaries are officially determined by
 14 the city.

15 D. "Clearinghouse" means that governmental unit which has
 16 authority to review requests for state and federal aid for local
 17 units of government within its jurisdiction.

18 In the seven-county metropolitan area this review authority
 19 is the Metropolitan Council under Minn. Stat. S 473.171, subd. 2
 20 (1980).

21 The review authority for the remainder of the state is the
 22 appropriate Regional Development Commission under Minn. Stat. S
 23 462.391, subd. 3 (1980).

24 E D. "In-kind" means:

- 25 1. Salary and cost of fringe benefits of the grant
- 26 recipient staff working on activities funded by the grant.
- 27 2. Increases in overhead resulting from carrying out
- 28 activities funded by the grant.

29 6 MCAR S 2.2403 Types of grants. There shall be two types of
 30 grants made to local units of government: Community Energy
 31 Planning Grants and Community Energy Plan Implementation Grants.

32 A. Community Energy Planning Grants. Planning Grants shall
 33 be used for developing local energy plans relating to such
 34 issues as, but not limited to: citywide or countywide
 35 conservation; use of renewable resources through technologies

1 currently available; conservation of energy used in buildings
 2 owned by the local unit of government, of energy used for
 3 building and street lighting, and of energy used in building
 4 space heating and cooling; and energy considerations in traffic
 5 management, in land use planning, in capital improvement
 6 ~~programming/budgeting~~ programming and budgeting, in municipal
 7 operating budgets, and in economic development plans.

8 B. Community Energy Plan Implementation Grants.

9 Implementation Grants shall be used for purposes of implementing
 10 all or portions of a local community energy plan. Local units
 11 of government may apply for implementation grants whether or not
 12 the community energy plan was prepared under the Community
 13 Energy Planning Grant Program, provided the community energy
 14 plan has been submitted to and ~~approved~~ reviewed by the agency.

15 C. The following activities or expenditures are eligible for
 16 Planning Grants:

- 17 1. ~~Planning staff personnel~~, Salaries, or benefits for
 18 planning staff personnel;

- 19 2. Data collection or analysis or both;
- 20 3. Development of local energy documents including plans;
- 21 4. Modification of capital improvement programs for
 22 energy-related projects;
- 23 5. Development of energy-conscious fleet management
 24 systems, transportation plans, intergovernmental plans;
- 25 6. Development of budgetary or fiscal systems which
 26 significantly address energy costs;
- 27 7. Development of zoning, subdivision and ~~building~~ other
 28 codes ~~for~~, ordinances, regulations, supplements or amendments

 29 relating to energy;
- 30 8. ~~Housing code development for energy-related elements~~;
- 31 9. Any other activities which carry out the purpose of
 32 the program as expressed in ~~rule~~ 6 MCAR S 2.2401 B.

33 D. The following activities or expenditures are ineligible
 34 for Planning Grants:

- 35 1. Non-energy related issues;
- 36 2. ~~Repayment~~ Retroactive payment of revenue to local

1 units of government for energy activities previously undertaken;
 2 3. Out-of-state travel, unless specifically approved in a
 3 contract between the grantee and the agency.

4 E. The following activities or expenditures are eligible for
 5 Implementation Grants:

6 1. Detailed drawings, architectural drawings, site
 7 designs, engineering specifications;

8 2. Equipment purchases directly affecting energy
 9 recovery, conservation or production;

10 3. Construction of energy production or energy recovery
 11 systems;

12 4. Any other activities which carry out the purpose of
 13 the program as expressed in rule 6 MCAR S 2.2401 B.

14 F. The following activities or expenditures are ineligible
 15 for Implementation Grants:

16 1. Non-energy related projects;

17 2. Property acquisition (real property);

18 3. Personnel for continued operation of energy
 19 conservation, production or recovery facilities beyond the first
 20 year of an Implementation Grant.

21 6 MCAR S 2.2404 Evaluation of preliminary applications.

22 A. Planning Grants. Preliminary applications which satisfy
 23 all eligibility requirements shall be evaluated in a two step
 24 process: general ~~eriterien~~ criteria and planning function
 25 criteria.

26 1. General ~~eriterien~~ criteria. Planning Grant
 27 applications which address the greatest number of the following
 28 considerations will be given priority over Planning Grant
 29 applications which address a lesser number of the following
 30 considerations.

31 a. Programs designed to result in significant savings
 32 of traditional energy sources;

33 b. Programs designed to assist in the development of
 34 renewable energy systems;

35 c. Programs which encourage broad community

1 involvement in addressing and solving energy problems
2 encountered by local citizens and local units of government;

3 d. Programs that show a significant degree of
4 transferability to similar units of government;

5 e. Local-unit-of-government programs which include the
6 provision of local resources or other types of support to
7 address energy problems and to undertake energy planning for the
8 local unit of government.

9 2. Planning function evaluation. Applications achieving
10 similar priority ranking based on the general ~~criteria~~ criteria
11 stated in ~~rule 2-2404~~ A.1. will be evaluated for purposes of
12 funding on the basis of the following criteria:

13 a. Comprehensiveness of plan elements, such as:
14 potential effects on residential, industrial, municipal and
15 county programs;

16 b. Ability of the local unit of government's plan to
17 affect energy consumption through the use of tools, such as,
18 but not limited to, codes, ordinances, ~~legal instruments~~ joint
19 powers agreements, property covenants and easements;

20 c. Use of ~~renewables~~, renewable energy resources such
21 as: solar, wind, biomass, hydropower;

22 d. Cost-effectiveness;

23 e. Public participation efforts, such as:
24 neighborhood energy committees, governmental energy committees;

25 f. Private sector participation such as: ~~financial~~
26 ~~leverage~~, van pools, staff, materials or financial contributions;

27 g. Transferability, as shown by the appropriateness of
28 other units of government utilizing all or parts of a planning
29 process or the results of that plan or process.

30 B. Implementation Grants. Evaluation of preliminary
31 applications. Preliminary applications which satisfy all
32 eligibility requirements shall be evaluated in a two-step
33 process: general ~~criteria~~ criteria and implementation function
34 criteria.

35 1. General ~~criteria~~ criteria. Implementation Grant
36 applications which address the greatest number of the following

1 considerations will be given priority over Implementation Grant
2 applications which address a lesser number of the following
3 considerations:

4 a. Applications with programs designed to result in
5 significant savings of traditional energy sources;

6 b. Programs designed to assist in the development of
7 renewable energy systems;

8 c. Programs which encourage broad community
9 involvement in addressing and solving energy problems
10 encountered by local citizens and local units of government;

11 d. Programs that show a significant degree of
12 transferability to similar units of government;

13 e. Local-unit-of-government programs which include the
14 provision of local resources or other types of support to
15 address energy problems and to undertake energy production
16 and/or conservation in the local unit of government.

17 2. Implementation grant evaluation. ~~Application~~
18 Applications achieving similar priority ranking based on the
19 general ~~criteria~~ criteria stated in ~~rule 2-2404~~ B.1. will be
20 evaluated for purposes of funding on the basis of the following
21 criteria.

22 a. The proposed project must be technically feasible.
23 Technically feasible means:

24 (1) The degree to which the project meets
25 scientifically accepted laws; or

26 (2) The degree to which the project increases or
27 enhances the state of the energy art.

28 b. The project must be economically viable.

29 (1) Economically viable means the budget is adequate
30 to complete the proposed project.

31 (2) The estimated cost of the energy produced or
32 conserved as a result of this project, including all research,
33 development and production costs, and excluding research and
34 development costs.

35 c. The applicant must be capable of successfully
36 conducting the project. This will be determined by evaluating:

1 (1) The level of education, or experience in
2 conducting similar project implementation; or

3 (2) Awareness The existence of other or similar
4 projects or related studies from which the applicant may obtain
5 assistance.

6 d. The applicant application must show that economic
7 benefits may will result from this project. Economic benefits
8 are:

9 (1) Monetary or fuel savings resulting from
10 conservation, or

11 (2) Job creation.

12 e. The proposal must demonstrate a significant degree
13 of transferability.

14 f. The applicant must show that the proposal complies
15 with local, state and/or and federal requirements
16 (environmental, zoning, health).

17 6 MCAR S 2.2405 General application procedure.

18 A. The approval process for Planning Grants and
19 Implementation Grants has three stages: preliminary
20 application, final application, and contract execution.

21 B. Joint applications may be submitted by two or more local
22 units of government which are encountering energy-related
23 problems for which it appears joint consideration of problems is
24 possible, preferable and appropriate. In addition to complying
25 with rule 6 MCAR S 2.2406 regarding application contents, joint
26 applicants shall also designate a lead applicant and include
27 their authority for joint application in the form of
28 resolutions, joint powers agreement, or other such agreements.

29 C. The preliminary application or a notice of preapplication
30 shall be submitted to the appropriate clearinghouse for review
31 and comment at least 45 days prior to the date applications are
32 due at the agency. The clearinghouse may waive this review
33 requirement. Written evidence of the clearinghouse waiver shall
34 be included in preliminary applications submitted directly to
35 the agency. Failure of the clearinghouse to conduct its review

1 within 45 days shall be considered as approval of the
 2 application by the clearinghouse, unless both the applicant and
 3 the clearinghouse agree to extend the review period for an
 4 agreed-upon time period. Upon receipt of the clearinghouse
 5 review comments the applicant shall submit the preliminary
 6 application together with the clearinghouse comments to the
 7 agency on or before the due date. Each clearinghouse must
 8 submit to the agency a list of all applications reviewed during
 9 a particular funding cycle. The timetable in this rule shall
 10 apply to all grant cycles after the first cycle. During the
 11 first cycle simultaneous submission to both the agency and the
 12 clearinghouse shall be permitted.

13 D. The agency shall have thirty days after the preliminary
 14 application due date to review preliminary applications.
 15 Incomplete or ineligible applications will be returned to the
 16 applicant with a written statement of reasons for rejection.

17 6 MCAR S 2.2406 Preliminary application.

18 A. A preliminary application shall be submitted to the
 19 agency for purposes of determining eligibility and priority for
 20 funding. The preliminary application shall be in a form and
 21 manner prescribed by the agency and shall contain the
 22 information required by the rules, including ~~but not limited to~~
 23 the following: name of ~~community(s)~~ community, demographic
 24 data, previous community planning efforts, descriptions of
 25 community services, statement of intended results,
 26 identification of amount and source of local share, total
 27 estimated program cost, and a copy of a resolution authorizing
 28 submission of the application to the agency.

29 B. Preliminary applications shall be submitted semi-annually
 30 not later than February 1 and August 1, except that during
 31 calendar year 1981, the due date for preliminary applications
 32 shall be 90 days after these rules become effective.

33 6 MCAR S 2.2407 Final application.

34 A. A final application may be submitted only by applicants
 35 which have received a letter of notification authorizing

1 submission of a final application. Final applications must be
 2 received by the agency no later than 45 days after the date of
 3 the letter of notification. The format for final applications
 4 is set out in ~~rule 6~~ MCAR S 2-2407 B. Final applications will
 5 be reviewed for completeness and compliance with the rules of
 6 this program. Incomplete applications or applications which
 7 differ substantially from preliminary applications will not be
 8 granted, and a written statement citing the reasons for
 9 rejection will be provided to the applicant. Eligible final
 10 applications will be funded based on the priorities of this
 11 program and the availability of grant funds. Receipt of a
 12 letter of notification is not a guarantee that a grant will be
 13 made to the submitter of a final application. A grant award
 14 shall be made by contract as set out in ~~rule 6~~ MCAR S 2.2408.

15 B. The final application shall contain at least the
 16 following elements:

17 1. A work ~~program/schedule~~ program and schedule which
 18 contains the following:

19 a. A statement of the existing or emerging energy
 20 ~~problem(s)~~ problems which are to be investigated with the grant.
 21 This statement should identify how the ~~problem(s)~~ problems are
 22 affecting or will affect the applicant and the means the
 23 recipient is planning to use to alleviate the ~~problem(s)~~
 24 problems.

25 b. A description of the activities which the grant
 26 makes possible. The description of activities should identify
 27 the expected results ~~and/or~~ and products and should be in
 28 sufficient detail to enable the agency to measure progress and
 29 to identify the person responsible for the completion of each
 30 activity. The description should include expected completion
 31 dates, by particular activity. Each work element should be
 32 assigned to a specific staff member or consultant.

33 c. A statement identifying the way in which the grant
 34 will improve the governing body's capability to address local
 35 energy problems and a schedule indicating when and how this will
 36 be accomplished.

1 2. Designation of a lead applicant. The grant applicant
2 shall designate a lead applicant⁷. Lead applicant means an
3 agency, organization or individual who will be responsible for
4 completion of the agreed-upon work program.

5 3. Local share. A detailed statement identifying the
6 source(s) source and amount of the local share. The local share
7 may be in cash or in-kind or a combination of cash and in-kind.

8 4. Signature/resolution. The application shall be
9 submitted to the agency only if accompanied by a resolution
10 passed at an official meeting of the governing body and signed
11 by the authorized person.

12 6 MCAR S 2.2408 Grant contract.

13 A. The final step in the awarding of a Planning Grant or an
14 Implementation Grant is execution of a grant contract. The
15 grant contract shall be based upon the final application. The
16 contract shall specify the amount of the grant to the recipient
17 and the duration of the grant. The contract shall include
18 assurance that the local share will be provided and that the
19 agreed-upon work program will be carried out. A grant contract
20 based upon a joint application will be executed by the lead
21 applicant. Amendments may only be made in writing signed by
22 both parties. Extensions must be justified in writing.
23 Planning grant extensions shall not exceed 90 days.
24 Implementation Grant extensions will be based on the scope of
25 work remaining and a reasonable period in which to complete all
26 work.

27 B. Funding period. Grants will be funded for the following
28 periods.

29 1. Planning Grants will be approved for a period of up to
30 one year.

31 2. Implementation Grants will be approved for a period to
32 be agreed upon by the grantee and the agency and specified in
33 the contract, based upon the scope of the implementation
34 activities funded and a reasonable work schedule, ~~or timetable.~~

35 C. Grant ratios.

1 1. Planning Grants shall not exceed 75% of the total
2 first year proposed planning budget;

3 2. The agency may award an Implementation Grant up to 50%
4 of the ~~prejeet~~ project's implementation cost, but not to exceed
5 \$50,000.00;

6 3. No single grant shall exceed \$50,000.00.

7 D. Disbursement schedule. Grant funds will be disbursed to
8 the grantee according to invoices submitted on the following
9 schedule:

10 1. 50% during the first month of the grant contract
11 funding period;

12 2. 40% upon completion of half of the agreed-upon work
13 program;

14 3. 10% upon completion of a satisfactory evaluation
15 according to 6 MCAR S 2.2409.

16 E. Required reports. The grantee shall submit to the agency
17 quarterly work progress reports in a format prescribed by the
18 agency. Reporting requirements will vary depending upon the
19 scope of work proposed and approved by the agency for funding.
20 In addition, the grantee shall provide the agency with three
21 copies and a camera-ready copy of a grantee's final community
22 energy plan.

23 F. Records. The grantee shall maintain for a period of not
24 less than three years from the date of the execution of the
25 contract all records relating to the receipt and expenditure of
26 grant monies.

27 G. Monitoring grant results. As a condition of accepting a
28 grant a grantee ~~will~~ shall be expected to:

29 1. Document on an annual basis the results of the grant
30 program for a period of up to 3 years from the date of the
31 execution of the contract (for example, energy savings,
32 financial savings, or any other documentation related to the
33 results of the grant); and

34 2. Participate in at least one agency workshop at which
35 the grantee will present the results of the grant program.

36 H. Contract deviations.

1 1. No grant funds shall be used to finance activities by
 2 consultants or local staff not included in the grant contract,
 3 unless agreed upon in writing by the agency.

4 2. Unless agreed upon by the grantee and the agency it
 5 will not be permissible for 100% of all energy-related
 6 activities to be contracted out to consultants.

7 6 MCAR S 2.2409 Evaluation. The agency shall conduct a final
 8 evaluation of grant work performance within 60 days of the
 9 submission by the grantee to the agency of a the final community
 10 energy plan ~~or~~ and all the required reports and financial
 11 documents. The evaluation shall assess:

12 A. Whether the local share contributed was equal to or
 13 greater than 25% of the total cost of a first year Planning
 14 Grant;

15 B. Whether the local share contributed was equal to or
 16 greater than 50% of an Implementation Grant;

17 C. Whether the agreed-upon work program was completed;

18 D B. Whether the governing body has formally reviewed the
 19 completed energy plan.

20 Upon completion of a satisfactory evaluation the remaining
 21 10% of the grant shall be disbursed to the grant recipient. If
 22 the results of the evaluation are unfavorable to the grantee and
 23 the grantee does not agree with the findings of the evaluation,
 24 the grantee may request a hearing review before the agency.