

1 Department of Energy and Economic Development

2 Energy Division

3

4 Adopted Rules Governing Community Energy Council Grants

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6 Rules as Adopted

7 4160.5100 DEFINITIONS.

8 Subpart 1. Scope. For purposes of parts 4160.5200 to  
9 4160.5900, the following terms have the meaning given them.

10 Subp. 2. Commissioner. "Commissioner" means the  
11 commissioner of the Department of Energy and Economic  
12 Development.

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

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

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

21 4160.5200 PURPOSE.

22 Parts 4160.5100 to 4160.5900 establish the method by which  
23 the department provides funds to Minnesota cities and counties  
24 in support of community energy council activities, as authorized  
25 by Laws of Minnesota 1984, chapter 654, article II, section 106.

26 4160.5300 GRANT PROGRAM.

27 Subpart 1. Application schedule. After announcement by  
28 the department in the State Register, the department shall  
29 accept applications for community energy council grants from  
30 cities and counties, individually, collectively, or through the  
31 exercise of joint powers agreements. The department shall  
32 consider for funding only applications received by the deadline  
33 announced in the State Register.

34 Subp. 2. Review process. The commissioner shall select  
35 the members of a committee to assist him or her to review and

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1 rank applications. The review committee shall score  
 2 applications according to criteria in part 4160.5500 and  
 3 transmit its recommendations to the commissioner. The  
 4 commissioner shall approve, disapprove, or return for further  
 5 consideration applications recommended by the committee. Upon  
 6 approval by the commissioner, a grant agreement may be  
 7 negotiated with the department in accordance with part 4160.5800.

8 Subp. 3. Maximum award amount. The maximum amount of a  
 9 community energy council grant to an individual applicant is  
 10 \$15,000 and requires at least a ten percent local match. The  
 11 maximum amount of a community energy council grant to a joint  
 12 application is \$15,000 for the first applicant and \$12,000 for  
 13 each additional applicant up to a maximum of \$50,000, and  
 14 requires at least a ten percent local match.

15 4160.5400 APPLICATION FOR COMMUNITY ENERGY COUNCIL GRANT.

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

18 Subp. 2. Contents. Applications must contain the  
 19 following information:

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

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

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

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

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1 to the department.

2 4160.5500 EVALUATION OF GRANT APPLICATION.

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

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

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

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

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

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

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

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

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

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

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

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

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

3 4160.5600 CLASSIFICATION OF ELIGIBLE AND INELIGIBLE GRANTEE  
4 ACTIVITIES.

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

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

11 B. Business energy conservation activities may  
12 include meetings and workshops, energy audits, distribution of  
13 energy conservation materials and information, and financing  
14 programs.

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

18 D. Community energy planning activities may include  
19 development of community energy use and cost profiles and  
20 estimates of energy conservation and alternative energy  
21 potentials.

22 E. Local government energy conservation activities  
23 may include energy use and cost accounting, fleet management,  
24 procurement of energy efficient vehicles and equipment, and  
25 recycling.

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

31 G. Alternative energy activities may include projects  
32 the objective of which is the substitution of alternative energy  
33 sources for fossil fuels.

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

36 A. projects conducted outside a grantee's corporate

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1 boundaries by the grantee alone; and

2 B. real property acquisition.

3 4160.5700 CLASSIFICATION OF ELIGIBLE AND INELIGIBLE GRANTEE  
4 EXPENDITURES.

5 Subpart 1. Eligible grantee expenditures. The following  
6 are eligible grantee expenditures:

- 7 A. salaries and wages;
- 8 B. fringe benefits;
- 9 C. in-state travel;
- 10 D. space rental and utilities;
- 11 E. rental and lease of equipment;
- 12 F. consumable supplies;
- 13 G. telephone;
- 14 H. postage;
- 15 I. printing and printed materials; and
- 16 J. insurance.

17 Subp. 2. Ineligible grantee expenditures. The following  
18 are ineligible grantee expenditures:

- 19 A. out-of-state travel, unless specifically approved  
20 in an agreement between the grantee and the department;
- 21 B. purchase of real property;
- 22 C. purchase of equipment, except consumable supplies;  
23 and
- 24 D. retroactive payment of grant funds for activities  
25 undertaken prior to the effective date of the grant agreement.

26 4160.5800 GRANT AGREEMENT.

27 Subpart 1. Contents. An agreement must specify the grant  
28 amount and the duration of the grant. The agreement must  
29 include assurance that the local share will be provided and that  
30 the work program agreed upon will be carried out. A grant  
31 agreement based upon a joint application must be executed by the  
32 applicant city or county that will be directly responsible for  
33 financial management of the grant, and that will be responsible  
34 for the required reports in part 4160.5800, subpart 5 4, and the  
35 records required in part 4160.5800, subpart 6 5. Amendments and

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1 extensions may only be made in writing and must be signed by all  
2 parties.

3 Subp. 2. Funding period. Grants will be approved for a  
4 period of up to one year, unless other terms are agreed to by  
5 the commissioner.

6 Subp. 3. Disbursement schedule. The department shall  
7 disburse 80 percent of the grant money when it receives an  
8 invoice of projected costs. The department shall disburse the  
9 remaining 20 percent when the grantee work program is complete  
10 and the department receives a satisfactory final report.

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

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

25 Subp. 6. Grant agreement deviations. Unless the  
26 department-agrees-in-writing grantee demonstrates to the  
27 department that the grantee's circumstances have changed since  
28 execution of the grant agreement to such an extent that a  
29 deviation is necessary to complete the agreed upon work program,  
30 no grant funds may be used to finance activities by consultants  
31 or local staff if the activities are not included in the grant  
32 agreement. ~~Unless-the-department-agrees-in-writing;~~ A grantee  
33 may not contract out all its energy-related activities to  
34 consultants unless the grantee demonstrates to the department  
35 that such contracting is necessary to complete the work program.

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

5 A. whether the local share contributed was equal to  
6 or greater than ten percent of the total cost of the preliminary  
7 planning-project agreed upon work program;

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

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

12 Subp. 2. Review. Upon completion of a satisfactory  
13 evaluation by the department, the department shall disburse the  
14 remaining 20 percent of the grant to the grant recipient. If  
15 the results of the evaluation are unfavorable to the grantee and  
16 the grantee does not agree with the findings of the evaluation,  
17 the grantee may request a review by the commissioner.