

1 Department of Energy and Economic Development

2

3 Adopted Rules Governing Design and Construction Loans; District
4 Heating; Commissioner

5

6 Rules as Adopted

7 4200.2100 DEFINITIONS.

8 Subpart 1. Scope. For the purposes of parts 4200.2100 to
9 4200.2750 the terms defined in this part have the meanings given
10 them.

11 Subp. 2. Applicability of statute. The definitions in
12 Minnesota Statutes, section 116J.36 and part 8300.0100 apply to
13 parts 4200.2100 to 4200.2750.

14 Subp. 3. [See Repealer.]

15 Subp. 4. and 5. [Unchanged.]

16 Subp. 6. [See Repealer.]

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

19 4200.2200 AUTHORITY, PURPOSE, AND SCOPE.

20 Subpart 1. Authority. Parts 4200.2100 to 4200.2750 are
21 authorized by Minnesota Statutes, section 116J.36, subdivision
22 11.

23 Subp. 2. Purpose. Parts 4200.2100 to 4200.2750 are
24 promulgated for the purpose of allowing prompt and proper
25 applications for design loans after comprehensive preliminary
26 engineering, economic, and design studies have been completed.
27 Parts 4200.2100 to 4200.2750 set forth the procedures that
28 municipalities must follow to apply for loans and establish the
29 criteria by which the applications are reviewed.

30 Subp. 3. [See Repealer.]

31 4200.2300 APPLICATION PROCEDURE.

32 Applications for design loans under Minnesota Statutes,
33 section 116J.36 and parts 4200.2100 to 4200.2750 shall be
34 submitted to the commissioner in the form required under parts
35 ~~4300.4700~~ 8300.4700 and ~~4300.4800~~ 8300.4800. Ten complete

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1 copies shall be submitted. Applications will be accepted
2 beginning on the date parts 4200.2100 to 4200.2750 become
3 effective.

4 4200.2350 DISTRICT HEATING ADVISORY TASK FORCE.

5 Subpart 1. Membership. Under Minnesota Statutes, section
6 15.014, the commissioner shall appoint a district heating
7 advisory task force consisting of at least four members in
8 addition to the commissioner who shall act as chairperson.

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

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

15 Subp. 2. Task force duties. The task force shall review
16 each application for a loan under Minnesota Statutes, section
17 116J.36 and parts ~~4200.4500~~ 8300.4500 to ~~4200.5000~~ 8300.5000,
18 and shall advise and assist the commissioner in carrying out his
19 or her responsibilities. The commissioner shall retain final
20 responsibility for all statutory and rule requirements.

21 4200.2750 PROCEDURES FOR APPLICATION PROCESSING.

22 Subpart 1. Deadline for submission. The applicant shall
23 submit a complete application to the commissioner by the first
24 business day of any month in order for the commissioner to
25 submit the application to the authority to consider it in that
26 month. If an application is received after the first business
27 day of the month and can be reviewed by the commissioner for
28 eligibility and financial feasibility prior to the authority
29 agenda deadline, the commissioner shall submit the application
30 to the authority for consideration of the application at the
31 meeting in that month.

32 Subp. 2. Completed applications. An application is
33 complete when the commissioner receives all documentation and
34 exhibits required under parts ~~4200.4500~~ 8300.4500 to ~~4200.5000~~
35 8300.5000.

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1 Subp. 3. **Incomplete applications.** If an incomplete
2 application is received, the commissioner shall notify the
3 applicant of specific deficiencies in the application. The
4 applicant has 60 days from the date of mailing of the
5 commissioner's notification to complete the application. If the
6 application is not completed and received by the commissioner
7 within 60 days, the application is considered to be rejected and
8 the applicant must reapply to be further considered.

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

14 Subp. 5. **Ineligible project or applicant.** If the
15 applicant or project is ineligible, the commissioner shall
16 notify the applicant of that fact in writing. The applicant has
17 30 days from the date of the commissioner's notification to
18 amend the application.

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

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

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

34 Subp. 7. **Rejection of application based on economic and**
35 **technical unfeasibility.** If the application is rejected due to
36 economic or technical unfeasibility, the commissioner shall

1 notify the applicant in writing that the application is not
2 economically or technically feasible and that the application
3 has been rejected.

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

14 Subp. 8. **Authority evaluation procedure.** Applications
15 approved for processing by the commissioner must be presented to
16 the authority for approval or disapproval under Minnesota
17 Statutes, section 116J.36 and parts ~~4200.4500~~ 8300.4500 to
18 ~~4200.5000~~ 8300.5000. If the authority approves the application
19 the commissioner shall forward the application to the
20 commissioner of finance who may make loans to the municipality.
21 If the authority disapproves an application, the commissioner
22 shall so notify the applicant in writing.

23 4200.3000 DEFINITIONS.

24 Subpart 1. [Unchanged.]

25 Subp. 2. **Applicability of statute.** The definitions in
26 Minnesota Statutes, section 116J.36 apply to parts 4200.3000 to
27 4200.4300 and 8300.0100.

28 Subp. 3. and 4. [See Repealer.]

29 Subp. 4a. **Construction loan.** "Construction loan" means a
30 loan to fund all construction costs as defined in Minnesota
31 Statutes, section 116J.36, subdivision 2.

32 Subp. 5. to 8. [Unchanged.]

33 Subp. 9. and 10. [See Repealer.]

34 Subp. 11. **District heating project.** "District heating
35 project" means a district heating construction project.

36 Subp. 12. [Unchanged.]

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1 4200.3100 PURPOSE.

2 The purpose of parts 4200.3000 to 4200.4300 is to allow
3 district heating projects that have already completed
4 comprehensive engineering, economic, and design studies to make
5 prompt and proper application for construction loans. These
6 parts set forth the procedures that municipalities must follow
7 to apply for loans and establish the criteria by which the
8 applications are reviewed.

9 4200.3200 SCOPE.

10 Parts 4200.3000 to 4200.4300 apply to the department and to
11 any municipality applying for construction loans under Minnesota
12 Statutes, section 116J.36.

13 4200.3900 APPLICATION PROCEDURES.

14 Subpart 1. Submitting. Applications for construction
15 loans under Minnesota Statutes, section 116J.36 and parts
16 4200.3000 to 4200.4300 must be submitted to the commissioner in
17 the form prescribed under parts ~~4200.4500~~ 8300.4500 to ~~4200.5000~~
18 8300.5000.

19 Subp. 2. Effective date. The period for accepting
20 applications begins on the date parts 4200.3000 to 4200.4300
21 become effective.

22 Subp. 3. [Unchanged.]

23 4200.4000 DISTRICT HEATING ADVISORY TASK FORCE.

24 Subpart 1. Membership. Under Minnesota Statutes, section
25 15.014, the commissioner shall appoint a district heating
26 advisory task force consisting of at least four members in
27 addition to the commissioner who shall act as chairperson.

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

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

34 Subp. 2. Task force duties. The task force shall review

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1 each application for a loan under Minnesota Statutes, section
2 116J.36 and parts ~~4200.4500~~ 8300.4500 to ~~4200.5000~~ 8300.5000,
3 and shall advise and assist the commissioner in carrying out his
4 or her responsibilities. The commissioner shall retain final
5 responsibility for all statutory and rule requirements.

6 4200.4050 FEASIBILITY ASSESSMENT.

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

9 A. [Unchanged.]

10 B. the debt service coverage represented by parts
11 ~~4200.4500~~ 8300.4500 to ~~4200.5000~~ 8300.5000;

12 C. to G. [Unchanged.]

13 4200.4300 PROCEDURES FOR APPLICATION PROCESSING.

14 Subpart 1. **Deadline for submission.** The applicant shall
15 submit a complete application to the commissioner by the first
16 business day of any month in order for the commissioner to
17 submit the application to the authority for consideration in
18 that month. If an application is received after the first
19 business day of the month and can be reviewed by the
20 commissioner for eligibility and financial feasibility prior to
21 the authority agenda deadline, the commissioner shall submit the
22 application to the authority for consideration of the
23 application at the meeting in that month.

24 Subp. 2. **Completed applications.** An application is
25 complete when the commissioner receives all documentation and
26 exhibits required under Minnesota Statutes, section 116J.36, and
27 parts ~~4200.4500~~ 8300.4500 to ~~4200.5000~~ 8300.5000.

28 Subp. 3. **Incomplete applications.** If an incomplete
29 application is received, the commissioner shall notify the
30 applicant of specific deficiencies in the application. The
31 applicant has 60 days from the date of mailing of the
32 commissioner's notification to complete the application. If the
33 application is not completed and received by the commissioner
34 within 60 days, the application is considered to be rejected and
35 the applicant must reapply to be further considered.

1 Subp. 4. Review of eligibility of project and applicant.

2 The commissioner shall review all completed applications to
3 determine if the project and the applicant are eligible and meet
4 the requirements of Minnesota Statutes, section 116J.36.

5 Subp. 5. Ineligible project or applicant. If the
6 applicant or project is ineligible, the commissioner shall
7 notify the applicant of that fact in writing. The applicant has
8 30 days from the date of the commissioner's notification to
9 amend the application.

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

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

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

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

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

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1 application, the commissioner shall so notify the applicant in
2 writing.

3 Subp. 8. Authority evaluation procedure. Applications
4 approved for processing by the commissioner must be presented to
5 the authority for approval or disapproval under Minnesota
6 Statutes, section 116J.36 and parts ~~4200.4500~~ 8300.4500 to
7 ~~4200.5000~~ 8300.5000. If the authority approves the application
8 the commissioner shall forward the application to the
9 commissioner of finance who may make loans to the municipality.
10 If the authority disapproves an application, the commissioner
11 shall so notify the applicant in writing.

12

13 REPEALER. Minnesota Rules, parts 4200.2100, subparts 3 and 6;
14 4200.2200, subpart 3; 4200.2400; 4200.2500; 4200.2700;
15 4200.3000, subparts 3, 4, 9, and 10; 4200.3300; 4200.3400;
16 4200.3500; 4200.3600; 4200.3700; and 4200.3800 are repealed.

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