

CHAPTER 4200
DEPARTMENT OF ENERGY AND ECONOMIC
DEVELOPMENT
DISTRICT HEATING SYSTEMS

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4200.2100 DEFINITIONS.

Subpart 1. **Scope.** For the purposes of parts 4200.2100 to 4200 2750 the terms defined in this part have the meanings given them

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

Subp. 3. [Repealed, 10 SR 1501]

[For text of subs 4 and 5, see M R 1985]

Subp. 6. [Repealed, 10 SR 1501]

Subp. 7. **District heating project.** "District heating project" means a district heating design project.

Statutory Authority: *MS s 116M 10 subd 7*

History: *10 SR 1501*

4200.2200 AUTHORITY AND PURPOSE.

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

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

Subp. 3. [Repealed, 10 SR 1501]

Statutory Authority: *MS s 116M.10 subd 7*

History: *10 SR 1501*

4200.2300 APPLICATION PROCEDURE.

Applications for design loans under Minnesota Statutes, section 116J.36 and parts 4200.2100 to 4200.2750 shall be submitted to the commissioner in the form required under parts 8300.4700 and 8300.4800. Ten complete copies shall be submitted. Applications will be accepted beginning on the date parts 4200.2100 to 4200.2750 become effective.

Statutory Authority: *MS s 116M.10 subd 7*

History: *10 SR 1501*

4200.2350 DISTRICT HEATING ADVISORY TASK FORCE.

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

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

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

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

Statutory Authority: *MS s 116M 10 subd 7*

History: *10 SR 1501*

4200.2400 [Repealed, 10 SR 1501]

4200.2500 [Repealed, 10 SR 1501]

4200.2700 [Repealed, 10 SR 1501]

4200.2750 PROCEDURES FOR APPLICATION PROCESSING.

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

Subp. 2 Completed applications. An application is complete when the commissioner receives all documentation and exhibits required under parts 8300.4500 to 8300.5000.

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

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

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

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

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

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

Subp. 7. Rejection of application based on economic and technical unfeasibility. If the application is rejected due to economic or technical unfeasibility, the commissioner shall notify the applicant in writing that the application is not economically or technically feasible and that the application has been rejected.

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

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

Statutory Authority: *MS s 116M 10 subd 7*

History: *10 SR 1501*

4200.3000 DEFINITIONS.

[For text of subpart 1, see M R 1985]

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

Subp. 3. [Repealed, 10 SR 1501]

Subp. 4. [Repealed, 10 SR 1501]

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

[For text of subps 5 to 8, see M.R. 1985]

Subp. 9. [Repealed, 10 SR 1501]

Subp. 10. [Repealed, 10 SR 1501]

Subp. 11. District heating project. "District heating project" means a district heating construction project.

[For text of subp 12, see M R 1985]

Statutory Authority: *MS s 116M.10 subd 7*

History: *10 SR 1501*

4200.3100 PURPOSE.

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

Statutory Authority: *MS s 116M 10 subd 7*

History: *10 SR 1501*

4200.3200 SCOPE.

Parts 4200 3000 to 4200.4300 apply to the department and to any municipality applying for construction loans under Minnesota Statutes, section 116J 36.

Statutory Authority: *MS s 116M.10 subd 7*

History: *10 SR 1501*

4200.3300 [Repealed, 10 SR 1501]

4200.3400 [Repealed, 10 SR 1501]

4200.3500 [Repealed, 10 SR 1501]

4200.3600 [Repealed, 10 SR 1501]

4200.3700 [Repealed, 10 SR 1501]

4200.3800 [Repealed, 10 SR 1501]

4200.3900 APPLICATION PROCEDURES.

Subpart 1. **Submitting.** Applications for construction loans under Minnesota Statutes, section 116J.36 and parts 4200.3000 to 4200.4300 must be submitted to the commissioner in the form prescribed under parts 8300.4500 to 8300.5000.

Subp. 2. **Effective date:** The period for accepting applications begins on the date parts 4200.3000 to 4200.4300 become effective.

[For text of subp 3, see M.R. 1985]

Statutory Authority: *MS s 116M.10 subd 7*

History: *10 SR 1501*

4200.4000 DISTRICT HEATING ADVISORY TASK FORCE.

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

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

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

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

Statutory Authority: *MS s 116M.10 subd 7*

History: *10 SR 1501*

4200.4050 FEASIBILITY ASSESSMENT.

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

[For text of item A, see M.R. 1985]

B. the debt service coverage represented by parts 8300.4500 to 8300.5000;

[For text of items C to G, see M.R. 1985]

Statutory Authority: *MS s 116M.10 subd 7*

History: *10 SR 1501*

4200.4300 PROCEDURES FOR APPLICATION PROCESSING.

Subpart 1. **Deadline for submission.** The applicant shall submit a complete application to the commissioner by the first business day of any month in order

for the commissioner to submit the application to the authority for consideration in that month. If an application is received after the first business day of the month and can be reviewed by the commissioner for eligibility and financial feasibility prior to the authority agenda deadline, the commissioner shall submit the application to the authority for consideration of the application at the meeting in that month.

Subp. 2. Completed applications. An application is complete when the commissioner receives all documentation and exhibits required under Minnesota Statutes, section 116J.36, and parts 8300.4500 to 8300.5000.

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

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

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

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

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

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

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

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

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

Statutory Authority: *MS s 116M 10 subd 7*

History: *10 SR 1501*