



Draft State Plan for the

**State Energy Program – Formula Funded**

This document has been submitted to the United States Department of Energy (USDOE) for review and comment. All information contained in this document is subject to change upon review by USDOE.

General Information about the State Energy Program:

The State Energy Program (SEP) is federally funded through the U.S. Department of Energy's (USDOE) Office of Energy Efficiency and Renewable Energy. SEP allows states to design and implement energy efficiency and renewable energy programs. USDOE requires a state match of 20%. The following formula will be used to allocate SEP funds: 1/3 equally among all states and territories, 1/3 according to population, and 1/3 according to energy consumption.

SEP promotes energy conservation, energy efficiency and renewable energy to Minnesota consumers, businesses and policymakers through educational outreach and technical assistance, targeted financial incentives, and demonstrations of market-ready new technologies.

As part of the process for receiving funding from the USDOE for SEP, the state is required to file a state plan with USDOE. The plan (currently in draft form) is intended to satisfy the requirements of USDOE under the terms of the federal SEP program rules. The primary metrics of this plan are energy saved and jobs created. Components of the plan include: energy information and coordination, public buildings energy efficiency, renewable projects (such as solar, wind, E85), and a Residential Energy Conservation Financing Program.

This plan was developed and submitted prior to final passage of state legislation (SF657: [Federal Stimulus for Energy Programs](#)) directing the use of these funds. Discrepancies between this draft plan and SF657 will be addressed in a future plan amendment.

In addition, Minnesota has been allocated \$54.1 million in ARRA funding for the SEP program. A copy of the ARRA funded SEP plan is available at [www.energy.mn.gov](http://www.energy.mn.gov)

DOE F 540.1  
(08/05)

# U.S. Department of Energy STATE ENERGY PROGRAM (SEP) NARRATIVE INFORMATION WORKSHEET

OMB: Control No. 1910-5126  
Expiration Date: 06/30/08

(Grant Number: NT43166)

Market Title: Energy Information & Coordination

1. Market (choose one):

<input type="checkbox"/> Buildings	<input type="checkbox"/> Industry
<input type="checkbox"/> Electric Power and Renewable Energy	<input type="checkbox"/> Policy, Planning and Energy Security
<input checked="" type="checkbox"/> Energy Education	<input type="checkbox"/> Transportation

2. State: MN

3. Program Year: 2009

Date Start: 07/01/2009 Date End: 06/30/2010

4. Topics Involved in the Overall Program Market (choose all that apply):

<input type="checkbox"/> Agriculture	<input type="checkbox"/> Federal Energy Management Program	<input type="checkbox"/> Procurement of efficient products **
<input type="checkbox"/> Alternative Fuels	<input type="checkbox"/> Federal, state and local facilities	<input checked="" type="checkbox"/> Public information
<input type="checkbox"/> Appliance efficiency and standards	<input type="checkbox"/> Financing energy programs	<input type="checkbox"/> Rating and labeling
<input type="checkbox"/> Bioenergy and biobased products	<input type="checkbox"/> Fuel cells	<input type="checkbox"/> Rebuild America
<input type="checkbox"/> Biomass Power	<input type="checkbox"/> General energy efficiency for industry	<input type="checkbox"/> Residential buildings
<input type="checkbox"/> Building America	<input type="checkbox"/> Geothermal	<input type="checkbox"/> Right turn on red **
<input type="checkbox"/> Carpools, vanpools, and ridesharing **	<input type="checkbox"/> Green power programs	<input type="checkbox"/> Schools
<input type="checkbox"/> Clean Cities	<input type="checkbox"/> Heavy vehicles and trucks	<input type="checkbox"/> Solar power
<input type="checkbox"/> Climate change planning	<input type="checkbox"/> Home energy ratings	<input type="checkbox"/> State energy strategic plans
<input type="checkbox"/> Combined heat and power	<input type="checkbox"/> Hydrogen	<input type="checkbox"/> Telecommuting
<input type="checkbox"/> Commercial buildings	<input type="checkbox"/> Hydropower	<input type="checkbox"/> Thermal **
<input type="checkbox"/> Curriculum development	<input type="checkbox"/> Industrial processing	<input type="checkbox"/> Traffic signals
<input type="checkbox"/> Demand reduction	<input type="checkbox"/> Industries of the future	<input type="checkbox"/> Transmission and infrastructure reliability
<input type="checkbox"/> Distributed energy generation	<input type="checkbox"/> Lighting **	<input type="checkbox"/> Transportation alternatives
<input type="checkbox"/> Energy and environment	<input type="checkbox"/> Low-income Weatherization	<input type="checkbox"/> Waste management and recycling
<input type="checkbox"/> Energy building codes	<input type="checkbox"/> Manufacturing	<input type="checkbox"/> Water systems
<input type="checkbox"/> Energy consumption and price statistics	<input type="checkbox"/> Motors and other industrial systems	<input type="checkbox"/> Wind energy
<input type="checkbox"/> Energy emergency planning	<input type="checkbox"/> Performance contracting	
<input type="checkbox"/> ENERGY STAR	<input type="checkbox"/> Policy and energy legislation	

5. Estimated Annual Energy Savings : 4,443.20 MBtus

6. Description (executive summary of goals and objectives)\* :

The objective of the Energy Information activity is to promote energy efficiency by providing impartial information through various media on energy conservation, renewable energy and other energy-related issues. The Information activity has been designated as the core function of the State Energy Office and, therefore, significant resources continue to be allocated to it's staffing and support. Strategies include telephone hotline, printed materials, cd distribution, media releases, website, booths at trade fairs and home shows and as a participant in community based energy and housing events across the state.

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(08/05)

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STATE ENERGY PROGRAM (SEP)  
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Expiration Date: 06/30/08

**(Grant Number: NT43166)**

Market Title: Energy Information & Coordination

7. Program Year Milestones\* :

Milestone		Planned (Number)
1	Information Center contacts	80,000
2	Paper publications	50,000
3	Consumer CD distribution	10,000
4	Trade & Home shows along with other related public events	36
5	Unique web visits	375,000
6	Web PDF page downloads	500,000
7	Building Professionals CD distribution	800
8	Energy Auditor Development Assistance	4
9	Living Green Expo Support	1
10	EcoVillage / EcoCommunities Support	1
11	Media Releases (Newspaper, Fixit, TV, radio, etc)	24
12	Provide information to stakeholders on USDA 9006 solicitations	1

8. Standard metrics (required)\*\*

JOB METRICS		Planned
Jobs Created		2
Jobs Retained		3
<b>Total Jobs</b>		<b>5</b>

9. Specific metric activity (required)\*\*

SPECIFIC METRICS		Planned
<b>Workshops, Training, and Education</b>		
<b>Workshops, training, and education sessions, by sector</b>		
Number of workshops, training, and education sessions held (Commercial)		0
Number of people attending (Commercial)		0
Number of workshops, training, and education sessions held (Industrial)		0
Number of people attending (Industrial)		0
Number of workshops, training, and education sessions held (Public)		0
Number of people attending (Public)		0

10. User specified metrics (optional)\*

METRICS	Planned

11. Program Year Funds by Source\*

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OMB: Control No. 1910-5126  
Expiration Date: 06/30/08

**(Grant Number: NT43166)**

Market Title: Energy Information & Coordination

a. SEP Grant (all funds in the approved budget)	
DOE	\$328,319.00
State	\$116,001.00
EXXON	
<b>Market Budget Total</b>	<b>\$444,320.00</b>
b. Leveraged funds anticipated (outside approved budget)	

**DRAFT**

DOE F 540.1  
(08/05)

# U.S. Department of Energy STATE ENERGY PROGRAM (SEP) NARRATIVE INFORMATION WORKSHEET

OMB: Control No. 1910-5126  
Expiration Date: 06/30/08

(Grant Number: NT43166)

Market Title: Public Buildings Energy Efficiency

1. Market (choose one):

<input checked="" type="checkbox"/> Buildings	<input type="checkbox"/> Industry
<input type="checkbox"/> Electric Power and Renewable Energy	<input type="checkbox"/> Policy, Planning and Energy Security
<input type="checkbox"/> Energy Education	<input type="checkbox"/> Transportation

2. State: MN

3. Program Year: 2009

Date Start: 07/01/2009 Date End: 06/30/2010

4. Topics Involved in the Overall Program Market (choose all that apply):

<input type="checkbox"/> Agriculture	<input type="checkbox"/> Federal Energy Management Program	<input type="checkbox"/> Procurement of efficient products **
<input type="checkbox"/> Alternative Fuels	<input checked="" type="checkbox"/> Federal, state and local facilities	<input type="checkbox"/> Public information
<input type="checkbox"/> Appliance efficiency and standards	<input checked="" type="checkbox"/> Financing energy programs	<input type="checkbox"/> Rating and labeling
<input type="checkbox"/> Bioenergy and biobased products	<input type="checkbox"/> Fuel cells	<input type="checkbox"/> Rebuild America
<input type="checkbox"/> Biomass Power	<input type="checkbox"/> General energy efficiency for industry	<input type="checkbox"/> Residential buildings
<input type="checkbox"/> Building America	<input type="checkbox"/> Geothermal	<input type="checkbox"/> Right turn on red **
<input type="checkbox"/> Carpools, vanpools, and ridesharing **	<input type="checkbox"/> Green power programs	<input checked="" type="checkbox"/> Schools
<input type="checkbox"/> Clean Cities	<input type="checkbox"/> Heavy vehicles and trucks	<input type="checkbox"/> Solar power
<input type="checkbox"/> Climate change planning	<input type="checkbox"/> Home energy ratings	<input type="checkbox"/> State energy strategic plans
<input type="checkbox"/> Combined heat and power	<input type="checkbox"/> Hydrogen	<input type="checkbox"/> Telecommuting
<input type="checkbox"/> Commercial buildings	<input type="checkbox"/> Hydropower	<input type="checkbox"/> Thermal **
<input type="checkbox"/> Curriculum development	<input type="checkbox"/> Industrial processing	<input type="checkbox"/> Traffic signals
<input type="checkbox"/> Demand reduction	<input type="checkbox"/> Industries of the future	<input type="checkbox"/> Transmission and infrastructure reliability
<input type="checkbox"/> Distributed energy generation	<input type="checkbox"/> Lighting **	<input type="checkbox"/> Transportation alternatives
<input type="checkbox"/> Energy and environment	<input type="checkbox"/> Low-income Weatherization	<input type="checkbox"/> Waste management and recycling
<input type="checkbox"/> Energy building codes	<input type="checkbox"/> Manufacturing	<input type="checkbox"/> Water systems
<input type="checkbox"/> Energy consumption and price statistics	<input type="checkbox"/> Motors and other industrial systems	<input type="checkbox"/> Wind energy
<input type="checkbox"/> Energy emergency planning	<input type="checkbox"/> Performance contracting	
<input type="checkbox"/> ENERGY STAR	<input type="checkbox"/> Policy and energy legislation	

5. Estimated Annual Energy Savings : 30,784.20 MBtus

6. Description (executive summary of goals and objectives)\* :

PBEEEP will give state agencies and local governments access to: technical assistance to develop determine cost-effective energy efficiency improvements; private lease purchase financing of improvements; and assistance in managing cash flow to maintain budget neutral impact.

Program funds will be used for development, marketing, administration, and short-term financing of technical assistance costs. Efficiency improvements will be financed and technical assistance costs will be recovered under tax-exempt lease/purchase agreements through private sector lenders.

Program will coordinate with ARRA grant funding accelerate near-term demand/job creation and retention.

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STATE ENERGY PROGRAM (SEP)  
NARRATIVE INFORMATION WORKSHEET**

OMB: Control No. 1910-5126  
Expiration Date: 06/30/08

**(Grant Number: NT43166)**

Market Title: Public Buildings Energy Efficiency

7. Program Year Milestones\* :

Milestone		Planned (Number)
1	Complete development phase of state and local government programs	1
2	Program marketing	4
3	Provide technical assistance and review	4
4	Provide savings verification and cash flow management assistance	2

8. Standard metrics (required)\*\*

JOB METRICS		Planned
Jobs Created		32
Jobs Retained		1
<b>Total Jobs</b>		<b>33</b>

9. Specific metric activity (required)\*\*

SPECIFIC METRICS		Planned
<b>Financial Incentives for Energy Efficiency and Other Covered Investments</b>		
<b>Financial incentives provided, by incentive type and sector</b>		
Monetary value of financial incentives (Public; Other)		0

10. User specified metrics (optional)\*

METRICS		Planned

11. Program Year Funds by Source\*

a. SEP Grant (all funds in the approved budget)		
DOE		\$0.00
State		\$3,078,420.00
EXXON		
<b>Market Budget Total</b>		<b>\$3,078,420.00</b>
b. Leveraged funds anticipated (outside approved budget)		

DOE F 540.1  
(08/05)

# U.S. Department of Energy STATE ENERGY PROGRAM (SEP) NARRATIVE INFORMATION WORKSHEET

OMB: Control No. 1910-5126  
Expiration Date: 06/30/08

(Grant Number: NT43166)

Market Title: Renewable Projects

1. Market (choose one):

<input type="checkbox"/> Buildings	<input type="checkbox"/> Industry
<input checked="" type="checkbox"/> Electric Power and Renewable Energy	<input type="checkbox"/> Policy, Planning and Energy Security
<input type="checkbox"/> Energy Education	<input type="checkbox"/> Transportation

2. State: MN

3. Program Year: 2009

Date Start: 07/01/2009 Date End: 06/30/2010

4. Topics Involved in the Overall Program Market (choose all that apply):

<input type="checkbox"/> Agriculture	<input type="checkbox"/> Federal Energy Management Program	<input type="checkbox"/> Procurement of efficient products **
<input checked="" type="checkbox"/> Alternative Fuels	<input type="checkbox"/> Federal, state and local facilities	<input type="checkbox"/> Public information
<input type="checkbox"/> Appliance efficiency and standards	<input type="checkbox"/> Financing energy programs	<input type="checkbox"/> Rating and labeling
<input type="checkbox"/> Bioenergy and biobased products	<input type="checkbox"/> Fuel cells	<input type="checkbox"/> Rebuild America
<input checked="" type="checkbox"/> Biomass Power	<input checked="" type="checkbox"/> General energy efficiency for industry	<input type="checkbox"/> Residential buildings
<input type="checkbox"/> Building America	<input type="checkbox"/> Geothermal	<input type="checkbox"/> Right turn on red **
<input type="checkbox"/> Carpools, vanpools, and ridesharing **	<input checked="" type="checkbox"/> Green power programs	<input type="checkbox"/> Schools
<input type="checkbox"/> Clean Cities	<input type="checkbox"/> Heavy vehicles and trucks	<input checked="" type="checkbox"/> Solar power
<input type="checkbox"/> Climate change planning	<input type="checkbox"/> Home energy ratings	<input type="checkbox"/> State energy strategic plans
<input checked="" type="checkbox"/> Combined heat and power	<input type="checkbox"/> Hydrogen	<input type="checkbox"/> Telecommuting
<input type="checkbox"/> Commercial buildings	<input type="checkbox"/> Hydropower	<input type="checkbox"/> Thermal **
<input type="checkbox"/> Curriculum development	<input type="checkbox"/> Industrial processing	<input type="checkbox"/> Traffic signals
<input type="checkbox"/> Demand reduction	<input type="checkbox"/> Industries of the future	<input type="checkbox"/> Transmission and infrastructure reliability
<input checked="" type="checkbox"/> Distributed energy generation	<input type="checkbox"/> Lighting **	<input type="checkbox"/> Transportation alternatives
<input checked="" type="checkbox"/> Energy and environment	<input type="checkbox"/> Low-income Weatherization	<input type="checkbox"/> Waste management and recycling
<input type="checkbox"/> Energy building codes	<input type="checkbox"/> Manufacturing	<input type="checkbox"/> Water systems
<input type="checkbox"/> Energy consumption and price statistics	<input type="checkbox"/> Motors and other industrial systems	<input checked="" type="checkbox"/> Wind energy
<input type="checkbox"/> Energy emergency planning	<input type="checkbox"/> Performance contracting	
<input type="checkbox"/> ENERGY STAR	<input checked="" type="checkbox"/> Policy and energy legislation	

5. Estimated Annual Energy Savings : 1,371.95 MBtus

6. Description (executive summary of goals and objectives)\* :

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**(Grant Number: NT43166)**

Market Title: Renewable Projects

**SOLAR**

The state of Minnesota has approximately 1.4 MW of installed solar electric capacity to date. We anticipate an additional \$3.4 M for the state's Solar Electric Rebate Program and an additional \$3M to be directed at solar development within Minneapolis Saint Paul Solar America Cities for the coming biennium. The state's solar rebate program will continue to require installers to demonstrate a minimum combination of qualifications and experience in order to be eligible to participate with clients who choose NABCEP certified installers being eligible for a small additional incentive. The SEO is promoting solar workforce development by participating in two advisory groups for Century College's new solar thermal and solar electric programs, both of which will lead to NABCEP certification and are planned to open enrollment in Fall 2009. Additionally, Saint Paul College in partnership with Minneapolis Saint Paul will develop PV and ST training for the trades leading to NABCEP certification and we are also promoting the International Brotherhood of Electrical Workers photovoltaic (PV) training program leading to NABCEP certification.

SEO is working closely with the Minneapolis Saint Paul Solar America Cities team on solar training, outreach, local codes and permitting to ensure maximum benefit from this DOE grant to the Twin Cities and regionally.

The coming year's activities will largely be focused on developing and administering the state's solar incentives for both PV and Solar Hot Water. The anticipated \$3.4 M in funds for the biennium is more than triple the amount appropriated for the previous biennium. Additionally, staff will provide technical assistance to the Solar America Cities grant, promote solar along the Central Corridor between the two cities and administer a grant program to develop solar and other renewable energy among public entities. The University of Minnesota will receive funds to develop and build a solar testing laboratory with SEO staff offering some support for this project as well.

**WIND**

Minnesota leads the nation in community-based wind energy development. In 2008, about 25% of the wind projects installed were developed by Minnesota residents. With over 1,800 MW of wind capacity Minnesota is ranked fourth nationwide for installed capacity.

The SEO is promoting workforce development by coordinating a series of small wind workshops targeted at new installer training. Two, three-day workshops on project planning were conducted in Program Year 2008. In Program Year 2009 two to three additional workshops will be developed for project planning, siting, and installation. Demand for the workshops is high, but the number of workshops has been limited by the availability of utility sponsorship. Staff will coordinate these workshops with ARRA related activities during the Program Year.

**CLEAN FUELS**

SEO staff is committed to continuing its support of alternative fuel utilization, including E85, biodiesel, and promotion of other transportation alternatives.

**E85**

With 359 E85 fueling sites statewide and approximately 200,000 flex fuel vehicles, Minnesota continues to lead the nation in biofuels infrastructure. SEO anticipates continued growth in this area with an additional \$250,000 state appropriation for fiscal year 2010. SEP resources will continue to fund technical and outreach assistance activities.

The state of Minnesota has a goal of reaching 25 million gallons of retail E85 sales this year. The State Energy Office and its biofuels partners continue to deal with questions and concerns about the environmental impacts of biofuels from the public and the scientific community. Growth in retail sales of E85 has stopped in the state. The relatively low price of gasoline has affected sales

**Biodiesel**

The State of Minnesota adopted legislation last year that increased the state biodiesel mandate from B2 to B20 by 2015.

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Market Title: Renewable Projects

May 1, 2009 marked the start of the B5 mandate. The move is supported by the state's soy growers association and the Truckers' Association. Minnesota has adequate supply to meet the use of B5 within the state with just two of its 3 biodiesel production plants in operation-a requirement for incremental increases in the mandate. Minnesota is the first state to implement B5 according to the National Biodiesel Board.

**State Fleet Biofuels Promotion**

SEO will also continue to support other state agencies with EPA compliance and participation in the Governor's Smart Fleet Committee to:

- 1) Comply with the Governor's Executive Order mandating a 50% reduction in state fleet petroleum use by 2015 with increased use of efficiency, biofuels and telecommuting
- 2) Track and report on state fleet fuel purchases.

## 7. Program Year Milestones\* :

	Milestone	Planned (Number)
1	Solar: Administer Solar Electric Rebate program	4
2	Solar: 75 new solar PV installations with 1MW additional capacity	75
3	Solar: Administer Solar Hot Water Rebate program	4
4	Solar: Maintain updated list of installers made available on website	2
5	Solar: On-going technical assistance to Minnesota residents for solar PV and solar thermal	4
6	Solar: Work with public entities interested in solar (technical assistance, drafting and RFP, financing options	2
7	Solar: On-going solar cities support to Minneapolis Saint Paul (strategic planning for workforce development, streamlining/permitting/inspection process, review of codes, web content development, state and local policy review, budgeting)	4
8	Wind: Initiate Small Wind online forum for stakeholders	1
9	Wind: Provide technical assistance on incentives and resources for wind projects	52
10	Wind: Monitor utility progress in procuring energy from community-based energy development (C-BED) projects	4
11	Wind: participate in wind Industry mentoring committee activities	4
12	Wind: Coordinate small wind workshops for professional development and job creation	2
13	Clean Fuels: Support for the development of 25 new E85 retail stations	25
14	Clean Fuels: Participate in the Governor's Smart Fleet Committee to increase use of biofuels within the State Fleet	4
15	Clean Fuels: Increase E85 consumption to 25 million gallons annually	25,000,000
16	Clean Fuels: Support E85 and biodiesel marketing efforts to station owners, consumers and vehicle dealerships	4
17	Clean Fuels: Provide biofuels information and technical assistance to consumers/industry	4
18	Clean Fuels: Continue to report monthly on statewide E85 retail sales volumes	12

## 8. Standard metrics (required)\*\*

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Expiration Date: 06/30/08

**(Grant Number: NT43166)**

Market Title: Renewable Projects

JOB METRICS	Planned
Jobs Created	0
Jobs Retained	1
<b>Total Jobs</b>	<b>1</b>

9. Specific metric activity (required)\*\*

SPECIFIC METRICS	Planned
<b>Financial Incentives for Energy Efficiency and Other Covered Investments</b>	
<b>Financial incentives provided, by incentive type and sector</b>	
Monetary value of financial incentives (Residential; Rebates)	0
Monetary value of financial incentives (Commercial; Business development resources)	0

10. User specified metrics (optional)\*

METRICS	Planned

11. Program Year Funds by Source\*

<b>a. SEP Grant (all funds in the approved budget)</b>	
DOE	\$137,195.00
State	
EXXON	
<b>Market Budget Total</b>	<b>\$137,195.00</b>
<b>b. Leveraged funds anticipated (outside approved budget)</b>	

DOE F 540.1  
(08/05)

# U.S. Department of Energy STATE ENERGY PROGRAM (SEP) NARRATIVE INFORMATION WORKSHEET

OMB: Control No. 1910-5126  
Expiration Date: 06/30/08

**(Grant Number: NT43166)**

Market Title: Residential Energy Conservation Financing Program

1. Market (choose one):

<input checked="" type="checkbox"/> Buildings <input type="checkbox"/> Electric Power and Renewable Energy <input type="checkbox"/> Energy Education	<input type="checkbox"/> Industry <input type="checkbox"/> Policy, Planning and Energy Security <input type="checkbox"/> Transportation
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2. State: MN

3. Program Year: 2009

Date Start: 07/01/2009 Date End: 06/30/2010

4. Topics Involved in the Overall Program Market (choose all that apply):

<input type="checkbox"/> Agriculture <input type="checkbox"/> Alternative Fuels <input type="checkbox"/> Appliance efficiency and standards <input type="checkbox"/> Bioenergy and biobased products <input type="checkbox"/> Biomass Power <input type="checkbox"/> Building America <input type="checkbox"/> Carpools, vanpools, and ridesharing ** <input type="checkbox"/> Clean Cities <input type="checkbox"/> Climate change planning <input type="checkbox"/> Combined heat and power <input type="checkbox"/> Commercial buildings <input type="checkbox"/> Curriculum development <input type="checkbox"/> Demand reduction <input type="checkbox"/> Distributed energy generation <input type="checkbox"/> Energy and environment <input type="checkbox"/> Energy building codes <input type="checkbox"/> Energy consumption and price statistics <input type="checkbox"/> Energy emergency planning <input type="checkbox"/> ENERGY STAR	<input type="checkbox"/> Federal Energy Management Program <input type="checkbox"/> Federal, state and local facilities <input checked="" type="checkbox"/> Financing energy programs <input type="checkbox"/> Fuel cells <input type="checkbox"/> General energy efficiency for industry <input type="checkbox"/> Geothermal <input type="checkbox"/> Green power programs <input type="checkbox"/> Heavy vehicles and trucks <input checked="" type="checkbox"/> Home energy ratings <input type="checkbox"/> Hydrogen <input type="checkbox"/> Hydropower <input type="checkbox"/> Industrial processing <input type="checkbox"/> Industries of the future <input type="checkbox"/> Lighting ** <input type="checkbox"/> Low-income Weatherization <input type="checkbox"/> Manufacturing <input type="checkbox"/> Motors and other industrial systems <input type="checkbox"/> Performance contracting <input type="checkbox"/> Policy and energy legislation	<input type="checkbox"/> Procurement of efficient products ** <input type="checkbox"/> Public information <input type="checkbox"/> Rating and labeling <input type="checkbox"/> Rebuild America <input checked="" type="checkbox"/> Residential buildings <input type="checkbox"/> Right turn on red ** <input type="checkbox"/> Schools <input type="checkbox"/> Solar power <input type="checkbox"/> State energy strategic plans <input type="checkbox"/> Telecommuting <input type="checkbox"/> Thermal ** <input type="checkbox"/> Traffic signals <input type="checkbox"/> Transmission and infrastructure reliability <input type="checkbox"/> Transportation alternatives <input type="checkbox"/> Waste management and recycling <input type="checkbox"/> Water systems <input type="checkbox"/> Wind energy
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5. Estimated Annual Energy Savings : 0.00 MBtus

6. Description (executive summary of goals and objectives)\* :

The objective of the ongoing Residential Energy Conservation Loan Program is to provide below market rate financing to owners of residential properties to increase the energy efficiency of their buildings. This statewide project is managed by the Center for Energy & Environment. It is anticipated that CEE will originate 80 loans during the Plan Year.

The program is funded through principal repayments and program income earned; original funding for project was from EXXon PVE funds in 1993.

7. Program Year Milestones\* :

	Milestone	Planned (Number)
1	Program marketing	4
2	Loan applications	100
3	Loans made	80
4	Post-installation inspections	12
5	Loan servicing	4

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**(Grant Number: NT43166)**

Market Title: Residential Energy Conservation Financing Program

8. Standard metrics (required)\*\*

JOB METRICS	Planned
Jobs Created	0
Jobs Retained	0
<b>Total Jobs</b>	<b>0</b>

9. Specific metric activity (required)\*\*

SPECIFIC METRICS	Planned
<b>Financial Incentives for Energy Efficiency and Other Covered Investments</b>	
<b>Financial incentives provided, by incentive type and sector</b>	
Monetary value of financial incentives (Residential; Other)	0

10. User specified metrics (optional)\*

METRICS	Planned

11. Program Year Funds by Source\*

<b>a. SEP Grant (all funds in the approved budget)</b>	
DOE	\$0.00
State	\$0.00
EXXON	
<b>Market Budget Total</b>	<b>\$0.00</b>
<b>b. Leveraged funds anticipated (outside approved budget)</b>	

DOE F 540.1  
(08/05)

# U.S. Department of Energy STATE ENERGY PROGRAM (SEP) NARRATIVE INFORMATION WORKSHEET

OMB: Control No. 1910-5126  
Expiration Date: 06/30/08

**(Grant Number: NT43166)**

Market Title: SEP Administration

1. Market (choose one):

<input type="checkbox"/> Buildings <input type="checkbox"/> Electric Power and Renewable Energy <input type="checkbox"/> Energy Education	<input type="checkbox"/> Industry <input checked="" type="checkbox"/> Policy, Planning and Energy Security <input type="checkbox"/> Transportation
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2. State: MN

3. Program Year: 2009

Date Start: 07/01/2009 Date End: 06/03/2010

4. Topics Involved in the Overall Program Market (choose all that apply):

<input type="checkbox"/> Agriculture <input type="checkbox"/> Alternative Fuels <input type="checkbox"/> Appliance efficiency and standards <input type="checkbox"/> Bioenergy and biobased products <input type="checkbox"/> Biomass Power <input type="checkbox"/> Building America <input type="checkbox"/> Carpools, vanpools, and ridesharing ** <input type="checkbox"/> Clean Cities <input type="checkbox"/> Climate change planning <input type="checkbox"/> Combined heat and power <input type="checkbox"/> Commercial buildings <input type="checkbox"/> Curriculum development <input type="checkbox"/> Demand reduction <input type="checkbox"/> Distributed energy generation <input type="checkbox"/> Energy and environment <input type="checkbox"/> Energy building codes <input type="checkbox"/> Energy consumption and price statistics <input checked="" type="checkbox"/> Energy emergency planning <input type="checkbox"/> ENERGY STAR	<input type="checkbox"/> Federal Energy Management Program <input type="checkbox"/> Federal, state and local facilities <input type="checkbox"/> Financing energy programs <input type="checkbox"/> Fuel cells <input type="checkbox"/> General energy efficiency for industry <input type="checkbox"/> Geothermal <input type="checkbox"/> Green power programs <input type="checkbox"/> Heavy vehicles and trucks <input type="checkbox"/> Home energy ratings <input type="checkbox"/> Hydrogen <input type="checkbox"/> Hydropower <input type="checkbox"/> Industrial processing <input checked="" type="checkbox"/> Industries of the future <input type="checkbox"/> Lighting ** <input type="checkbox"/> Low-income Weatherization <input type="checkbox"/> Manufacturing <input type="checkbox"/> Motors and other industrial systems <input type="checkbox"/> Performance contracting <input type="checkbox"/> Policy and energy legislation	<input type="checkbox"/> Procurement of efficient products ** <input checked="" type="checkbox"/> Public information <input type="checkbox"/> Rating and labeling <input type="checkbox"/> Rebuild America <input type="checkbox"/> Residential buildings <input type="checkbox"/> Right turn on red ** <input type="checkbox"/> Schools <input type="checkbox"/> Solar power <input checked="" type="checkbox"/> State energy strategic plans <input type="checkbox"/> Telecommuting <input type="checkbox"/> Thermal ** <input type="checkbox"/> Traffic signals <input type="checkbox"/> Transmission and infrastructure reliability <input type="checkbox"/> Transportation alternatives <input type="checkbox"/> Waste management and recycling <input type="checkbox"/> Water systems <input type="checkbox"/> Wind energy
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5. Estimated Annual Energy Savings : 1,074.87 MBtus

6. Description (executive summary of goals and objectives)\* :

Overall administration of SEO financial activities, including budgeting; grant, financial and contract management; and reporting for all federal and nonfederal grants to SEO (excluding WAP and LIHEAP). The SEO currently manages 15+ active grants from public and private grantors, plus finance programs for energy-efficiency and renewable energy production incentives. Total annual financial oversight responsibility exceeds \$25 million.

7. Program Year Milestones\* :

	Milestone	Planned (Number)
1	General SEO Administration	4
2	Selection/Oversight of evaluations of selected programs	1
3	SEO Directors Meeting	1

8. Standard metrics (required)\*\*

DOE F 540.1  
(08/05)

**U.S. Department of Energy  
STATE ENERGY PROGRAM (SEP)  
NARRATIVE INFORMATION WORKSHEET  
(Grant Number: NT43166)**

OMB: Control No. 1910-5126  
Expiration Date: 06/30/08

Market Title: SEP Administration

JOB METRICS	Planned
Jobs Created	1
Jobs Retained	0
<b>Total Jobs</b>	<b>1</b>

9. Specific metric activity (required)\*\*

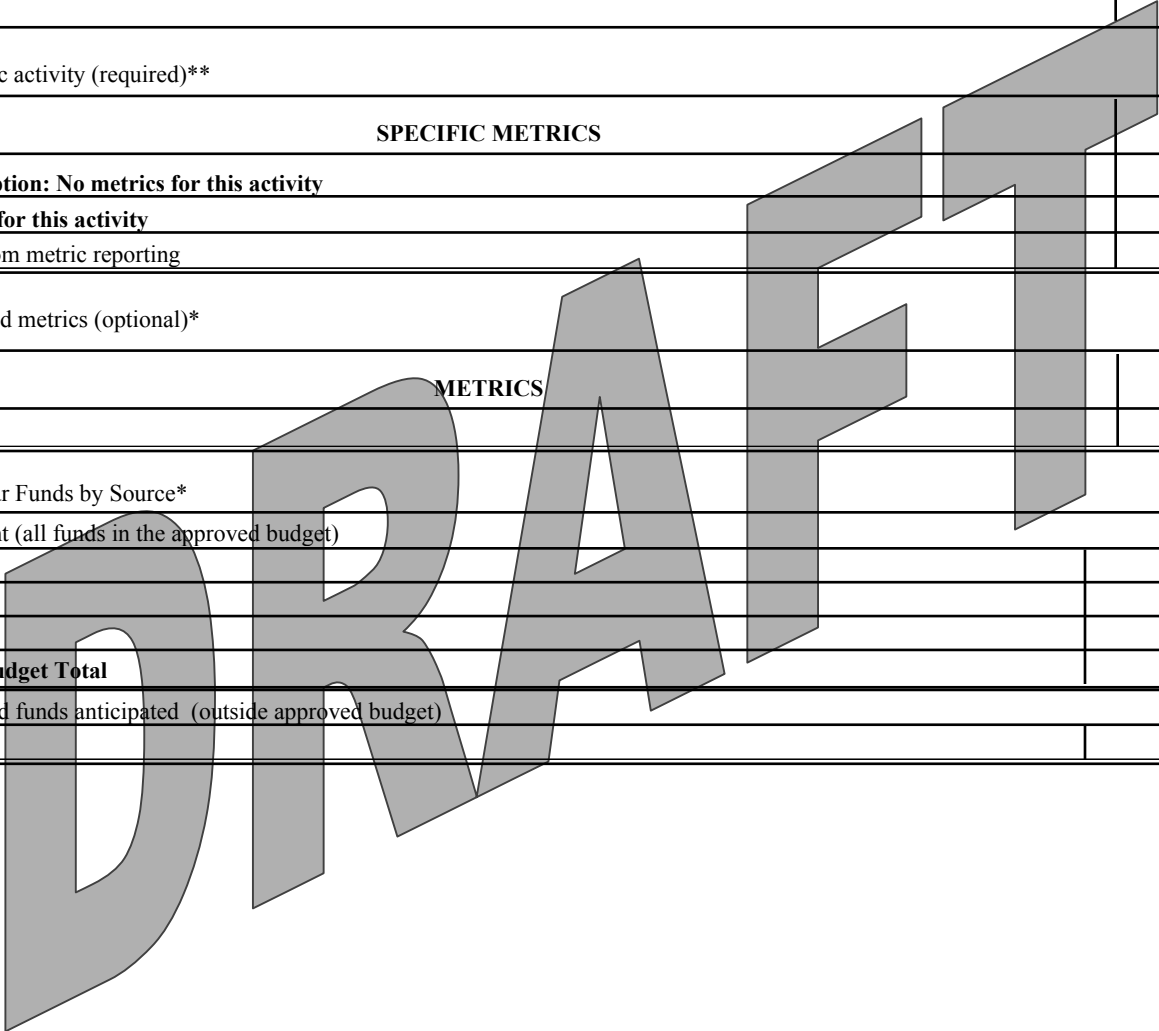
SPECIFIC METRICS	Planned
<b>Special exception: No metrics for this activity</b>	
<b>No metrics for this activity</b>	
Exempt from metric reporting	Yes

10. User specified metrics (optional)\*

METRICS	Planned

11. Program Year Funds by Source\*

<b>a. SEP Grant (all funds in the approved budget)</b>	
DOE	\$107,486.00
State	
EXXON	
<b>Market Budget Total</b>	<b>\$107,486.00</b>
<b>b. Leveraged funds anticipated (outside approved budget)</b>	



\*Please use additional pages if more space is needed.

\*\*Mandatory requirement

**State Plan - Master File Worksheet****State: MN Program Year: 2009**

This worksheet should be completed as specified in Section III of the State Energy Program Application Package.

**1. Description of State Energy Goals to be achieved (10CFR 420.13.b.2)**

The primary goal of Minnesota's energy program is to accelerate market acceptance of high-efficiency and renewable energy technologies and practices. To do so we:

- a. Provide Minnesotans with high quality, impartial information they can use in making choices that affect their energy use.
- b. Provide targeted financial and technical assistance to advance the implementation of conservation and energy efficiency and renewable energy technologies.
- c. Educate Minnesota's construction industry and Minnesota consumers about best practices in building efficient, safe and durable buildings.

Minnesota works toward these goals in-state with stakeholder and advocacy organizations as well as regionally and nationally through active participation and leadership in the Midwest Energy Efficiency Alliance (MEEA), the National Association of State Energy Officials (NASEO), the National Association of Regulatory Utility Commissioners (NARUC), and the State Energy Advisory Board (STEAB).

**2. Selection of State Goals (10CFR 420.13.b.2.ii)**

These primary goals, and the strategies chosen to achieve it, have evolved through more than thirty years of experience in advancing energy-efficiency and renewable energy.

**3. Measuring Achievements (10CFR 420.13.b.2.iii)**

The Department of Commerce (DOC) has initiated projects in many energy program areas. To measure the success of these programs the office annually reviews program goals and establishes performance and outcome measures for project goals. In many cases, success is difficult to measure. Many projects are directed at speeding up the slow process of technology development and commercialization. The true success of these projects is commercialization as measured by market penetration. Indications of success may be years away, especially when costs of new technologies tend to be higher than existing ones. Thus, measures of success in these cases must be determined by intermediate performance measures, or, as they are frequently called in the field of evaluation, "output" measures. Other projects are directed at building awareness, changing behavior or influencing others to implement energy conservation or efficiency projects, where the action or effect of the effort may not occur until many months after the time of influence. Results are difficult to measure because the subject, who has been the target of influence, is not obliged to report their conservation action back to the office so it can be recorded.

Another important aspect of project evaluation and performance measurement is to identify areas where a project could be improved so that it can more effectively and/or efficiently meet its goals. For example, a training workshop directed at informing participants of the steps they should take to run their energy systems in a more efficient manner may include all the necessary information needed for the participants to take action, but its effectiveness may be diminished because of factors such as poor presentation style, inadequate handouts or an improper setting. For these kinds of projects, measures that help improve the delivery process so that it is more effective are as important as the final measurement of success.

Research and evaluation of a project's progress toward meeting its goals can involve very expensive methodologies especially when audits or survey research is needed. Not all projects are worth the effort or expense of elaborate evaluation techniques. To date the DOC has used survey research measures to provide on-going analysis of the success of the outreach of the Energy Information Center.

In 2002 the DOC began using goal statements, with goals and tasks set, for its annual projects in the various program

State Plan - Master File Worksheet (continued)

State: MN Program Year: 2009

areas. The DOC has worked closely with other state energy offices and NASEO to bring its evaluation strategies in line with each other so that similar data is collected by all states, resulting in a more comprehensive picture of how the states are putting SEP (and non-SEP) dollars to work. Minnesota intends to continue its close work with NASEO on metrics.

4. State Strategy (10CFR 420.13.b.2.iv)

Strategies selected focus on areas that can be successfully addressed through state government participation and assistance.

- a. Provide Minnesotans with high quality, impartial information they can use in making choices that effect their energy use.
- b. Provide targeted financial and technical assistance to advance implementation of conservation and renewables.
- c. Educate Minnesota's construction industry and Minnesota consumers about best practices in building and operating efficient, safe and durable homes.

5. 25% or more improvement in the efficiency of use of energy by 2012 (1990 baseline)

In regards to the Energy Policy Act of 2005, Minnesota will do all things necessary to show an improvement of 25 percent or more in the efficiency of use of energy in calendar year 2012 as compared to calendar year 1990. Sweeping legislation was passed in 2007, addressing increased conservation, increased renewable energy generation and greenhouse gas emission reduction goals.

Recognizing the implications that global climate change may have on the economy, environment and quality of life in Minnesota, Governor Tim Pawlenty signed into law the [2007 Next Generation Energy Act](http://www.governor.state.mn.us/mediacenter/pressreleases/2006/december/PROD007863.html) <<http://www.governor.state.mn.us/mediacenter/pressreleases/2006/december/PROD007863.html>>. The law builds on Minnesota's nation-leading energy policies of more renewable energy, more energy savings, and lower carbon emissions, and specifies the development of a comprehensive plan to reduce Minnesota's emissions of greenhouse gases. The Next Generation Energy Act of 2007 revised the Conservation Improvement Program statute ([Minnesota Statute 216B.241](http://www.revisor.leg.state.mn.us/bin/getpub.php?pubtype=STAT_CHAP&year=current&chapter=216B) <[http://www.revisor.leg.state.mn.us/bin/getpub.php?pubtype=STAT\\_CHAP&year=current&chapter=216B](http://www.revisor.leg.state.mn.us/bin/getpub.php?pubtype=STAT_CHAP&year=current&chapter=216B)>) to set an annual energy savings goal for each electric and gas utility beginning in 2010. The energy savings goal is equivalent to 1.5 percent of the utility's annual retail energy sales in Minnesota, averaged over the most recent 3-year period and weather-normalized. These energy savings goals affect all utilities in Minnesota, including all municipal and cooperative utilities. The move to a savings goal from a spending goal which focused primarily on investor-owned utilities should result in almost doubling the amount of energy savings now realized each year. We estimate that one billion kWhs in annual energy savings must result to meet the 1.5 percent goal. Utilities have submitted plans to DOC to reach the goal and have started to ramp up programs.

Next follows snapshots of data from EIA showing energy consumption in Minnesota - 1990, next a high point in 2000, and finally the last two years available in EIA:

Year	Total Energy Consumption (Trillion BTUs)		Estimated Population		Per Capita
	Energy Consumption (trillion BTUs)		Per Capita Energy Consumption (BTUs)		
1990	1,389.60	4,375,099	0.00031762	317,615.67	
2000	1,784.60	4,919,479	0.00036276	362,761.99	
2005	1,852.90	5,205,091	0.00035598	355,978.41	
2006	1,822.00	,231,106	0.00034830	348,301.10	

While we are currently 8.8% above our 1990 per capita consumption levels based on EIA data, we did see a 2.2% drop from 2005 to 2006 and expect significant drops in subsequent years due to increased emphasis on energy conservation, and the retrofit of two large coal fired power plants in the metro area to combined cycle natural gas. In addition, while Minnesota's gasoline consumption was similar to 2006 levels in 2007 and 2008, consumption was nearly 80 million gallons less than 2007.

6. Mandatory Activities (10CFR 420.13.b.4.v and 15)

DRAFT

## State Plan - Master File Worksheet (continued)

State: MN Program Year: 2009

The SEP Mandatory Measures Program is designed to ensure that required activities have been completed and monitored. Each current measure is listed with a summation of laws and past activities that establishes compliance with the appropriate federal standard. Each proposed measure is listed with the actions taken or in process to comply with the federal requirement.

*I. Transportation Measures (420.15)*

The transportation measures defined in this section qualify as eligible program measures under 420.6(b) and have already been implemented.

The programs are operated by the Metro Commuter Services, a service of the Metropolitan Council and the Minnesota Department of Transportation (Office of Transit). They are operated in rural and urban areas of Minnesota. The Department of Commerce maintains a working relationship with these programs and the Center for Transportation Studies at the University of Minnesota. Since passage of the "Emergency Highway Energy Conservation Act" in 1974 the Minnesota Department of Transportation has received Federal Aid Urban (FAU) funds for the promotion and encouragement of carpooling and vanpooling.

The first major expenditures of FAU funds were used to develop a computer matching carpool program for the Twin Cities metropolitan area. The following programs continue in current program year:

*A. Rideshare*

The regional metropolitan rideshare program is designed to provide potential carpool and vanpool rider matching, transit planning, bike buddy setup and employer outreach and training services. The program also trains and provides services to other local Transportation Management District agencies. The program is funded with federal, state and local funds and offers services such as computer matching, marketing "how to" assistance and data collection.

Metro Transit, a service of the Metropolitan Council, operates regional metropolitan commuter programs. One of the programs provides a computerized database for metro area commuters that helps link riders with car or vanpools. The program also helps bikers find bike buddies. Another regional program allows commuters to register their car or vanpools for a variety of preferential parking locations and other incentives. In our region there are over 3,500 such registered carpools and approximately 85 van pools with over 8,000 commuters. Many of the car/vanpoolers receive preferred or discounted parking in downtown Minneapolis or downtown Saint Paul. Many suburban employers also offer preferred parking in their parking lots. Metro Transit administers several incentive programs such as the Regional Guaranteed Ride Home program for commuters. There are currently almost 18,000 commuters registered in this program. Commuters who are registered in this program qualify by indicating that they use an alternative to driving alone at least 3 days a week. Qualifying modes can be transit, car or van pool, walking, biking etc. Metro Transit along with area transportation management organizations market multi-modal services to employers and commuters and tracks their results in a comprehensive database called "RidePro". The program has a database of 7,088 employers (public, private and non-profit).

Since many businesses organize commuter activities and provide parking privileges independent of Metro Commuter Services, the number of actual car/vanpools is much greater. Promoting commuter choices continues to have impact on large employment locations such as Regions Hospital, State of Minnesota, Best Buy, and Northwest Airlines. Model projects such as Lafayette Park (multi-tenant state agencies led by the Pollution Control Agency (PCA)) and Best Buy continue to implement travel demand management plans that reduce petroleum consumption and pollution.

## State Plan - Master File Worksheet (continued)

State: MN Program Year: 2009

Besides preferential parking, high occupancy vehicle (HOV) lanes are part of Highway I-394 and Highway I-35W. Shoulder by-pass lanes have been provided to encourage more transit use and many ramp meters have by-pass lanes for car/vanpools, and buses.

B. *Right Turn on Red (420.15)*

In 1965 the Minnesota Legislature amended the state statutes to permit drivers to make a right turn on a red light (RTOR) after stopping (169.06, Subdivision 5). Initially, this provision was only for intersections where permissive signaling had been posted. Favorable experience with the traffic law led from the "permissive sign" RTOR to a "basic law" RTOR, which became effective on July 1, 1972. Today, signs prohibiting this are located only where geometries are unfavorable, sight distance is limited, or a pedestrian situation exists. Currently, 169.06 also permits the driver of a vehicle on a one-way street that intersects with another one-way street on which traffic moves to the left, to make a left turn after stopping.

II. *Procurement Measures (420.15)*

The objective of the procurement guidelines, as outlined in state statute, are to promote the purchase of less energy intensive equipment, materials and supplies by state and local government.

There are two sub-programs in the Procurement Program:

1. Procurement Bid Package Development
2. Procurement of Recycled and Recyclable Commodities

These requirements satisfy 420.15 of the State Energy Plan guidelines.

Existing state statutes give the Commissioner of Administration authority to establish specifications and preferred brand list and to waive normal procurement rules in special cases. Minnesota Statute 16B.04 notes that:

*The Commissioner (of Administration) may adopt, amend, and rescind rules relating to any purpose, responsibility, or authorization in chapter 16B.*

Among the powers and duties noted under this statute, the Commissioner is authorized to:

- (1) Supervise, control, review, and approve all state contracts and purchasing;
- (5) Manage and control state property, real and personal;
- (6) Maintain and operate all state buildings including the state capitol building and grounds;
- (7) Supervise, control, review and approve all capital improvements to state buildings and the capitol building and grounds ...

The Commissioner of Administration is also charged with the responsibility for management of state property, and Minnesota Statutes Section 16B.24 Subdivision 7 states: "The Commissioner shall inspect all state power, heating and lighting plants, make rules governing their operation and recommend improvements in the plants which will promote their economical and efficient operations."

Alternative energy sources mandates are addressed in Minnesota Statutes Section 16B.32, and note, "Plans prepared by the Commissioner for a new building or for a renovation of 50 percent or more of an existing building or its energy systems must include designs which use active and passive solar energy systems, earth sheltered construction, and other alternative energy sources where feasible."

## State Plan - Master File Worksheet (continued)

State: MN Program Year: 2009

Minnesota Statute 16B.325, passed in 2001, addresses the use of sustainable building guidelines. After 2004, all buildings that receive state bond funds must use the sustainable building guidelines. The primary objective of these guidelines is to ensure that all new state buildings initially exceed the existing energy code by 30%. Employing life cycle cost methods and utilizing methods that reduce waste and material costs as well as increasing daylighting, improving indoor air quality and human productivity, and increasing the use of renewable energy sources are also goals of the legislation.

In 2008 laws were passed to require that performance standards should be designed to achieve reductions in energy consumption by least 90 percent in 2025 and 100% by 2030 for state buildings that use the sustainable building guidelines. These standards must be cost-effective based upon established practices used in evaluating utility conservation improvement programs.

In addition, existing statutes establish the authority of the Commissioner of Commerce to set specific regulations and to require minimum efficiency standards for equipment purchased by state and local government. Minnesota Statutes Section 216C. 19, gives the Commissioner particular authority with reference to the state's purchase and use of supplies and equipment. This legislation was passed in May 1978:

*The Commissioner shall conduct studies concerning the purchase and use by the state and its political subdivisions of supplies, motor vehicles, and equipment having a significant impact on energy use in order to determine the potential for energy conservation. The Commissioner may promulgate rules pursuant to Chapter 14 to insure that energy use and conservation be considered in state purchasing and where appropriate, to require certain state purchasing of equipment or material use shall occur that is not in conformity with these regulations.*

These existing statutes provide the basic authority to establish specifications and preferred brand lists and to waive normal procurement rules in special cases. In addition, the statutes establish the authority of the Commissioner of Commerce to set specific regulations and to require minimum efficiency standards in purchased equipment.

Minnesota Statute 115A.15 provides further responsibilities for procurement of energy efficient commodities. This statute creates, within state government, a resource recovery program to promote, among other things, "the procurement of recyclable commodities and commodities containing recycled materials." The Department of Administration Materials Management Division has adopted a number of purchasing policies that directly affect the consumption of energy by state government.

The State has promoted the conservation of energy and use of renewable energy in state government by:

- o Setting a goal of 50% petroleum reduction in state fleet use by 2015 through the use of alternative fuels, higher efficiency vehicles, and reduced trips through an Executive Order and subsequent legislation;
- o Coordinating pollution prevention activities via the Interagency Pollution Prevention Advisory Taskforce formed and continued via Executive Orders by the previous three Governors;
- o Requiring that buildings utilizing public bonding funding be constructed to a standard 30% better than the minimum energy code and use renewable energy resources where possible;
- o Requiring state owned buildings to reduce their energy use by 10% over the next calendar year (CY 2006);
- o Requiring state owned vehicles to use E85 when available.

### III. Thermal and Lighting Requirements (420.15)

This activity is designed to fulfill the requirements of the State Energy Plan guidelines, Section 420.15.

**State Plan - Master File Worksheet (continued)****State: MN Program Year: 2009**

Minnesota has had an energy code since January 30, 1976. The Minnesota Energy Code governs heat loss, illumination, and climate control for all buildings. The energy code is a subset of the state building code, which applies statewide.

Rulemaking authority for the energy code is held by the Department of Labor and Industry, Building Codes and Standards Division. Rulemaking for the energy code is done in consultation with the Department of Commerce.

In the past Minnesota Statutes permitted counties, through referendum, to opt out from requirements to enforce the code. Municipalities within "opt out" counties are in some cases obliged to continue code enforcement and may elect to provide code enforcement. The state building code, including the energy code, is obliged, statewide in all residential construction though there may not be any active or direct enforcement. Minnesota's building and energy codes serve more than 85 percent of Minnesota's population at this time. In 2008, the Minnesota Legislature passed legislation that made building codes applicable statewide with enforcement by local municipalities.

Minnesota's energy code for 1 & 2 family dwellings far exceeds the requirements of the Model Energy Codes and the 2000 International Energy Code, with nearly all gas heated homes installing 90% and higher AFUE furnaces.

Minnesota's code will address the critical issue of mechanical ventilation in these homes. An update to Minnesota's residential energy code (moving to IECC 2006) is expected by fall of 2008.

Minnesota's energy code requirements for commercial buildings are based upon the ASHRAE Standard 90.1-2004. Minnesota's commercial energy code will also be updated in autumn 2008.

#### IV. *Coordination of Programs (420.15)*

The DOC is required by law to coordinate Minnesota's energy conservation programs. Minnesota Statutes, Section 216C.02, Subdivision 1(B), requires that the commissioner ... collect information on conservation and other energy related programs carried on by other agencies, by public utilities, by cooperative electric associations, by municipal power agencies, by other fuel suppliers, by political subdivisions, and by private organizations ... The commissioner shall make the information available to other agencies and to the public and, as necessary, shall recommend to the legislature changes in the laws governing conservation and other energy related programs to ensure that:

- (1) Expenditures on the programs are adequate to meet identified needs;
- (2) The needs of low-income energy users are being adequately addressed;
- (3) Duplication of effort is avoided or eliminated;
- (4) A program that is ineffective is improved or eliminated; and
- (5) Voluntary efforts are encouraged through incentives for their operators.

#### V. *Monitoring of Mandatory Measures*

Each of the measures will be monitored by staff in the course of state funded activities not included in the SEP Plan. Building and lighting code revisions will be reviewed in light of federal requirements to insure that minimum standards are maintained. Transportation activities will be monitored and verified and procurement practices will be monitored to insure compliance with state statutes.

#### 7. **Environmental Impact (10CFR 420.13.b.5)**

By reducing energy consumption, planned activities will reduce emissions of atmospheric pollutants and greenhouse gases.

**State Plan - Master File Worksheet (continued)****State: MN Program Year: 2009****8. Supplementing Weatherization (10CFR 420.13.b.6)**

In 2001 the Department of Commerce State Energy Office received responsibility for the USDOE Weatherization Assistance Program. While the SEO does not use SEP monies to supplement actual weatherization activities, per se, the SEO has become more active in extending its Energy Information Center outreach to additional weatherization activities. Also more attention has been given to distributing more of the appropriate Home Energy Guides to weatherization agencies for use in client education.

**9. Supplementing State/Local Funds (10CFR 420.13.b.7)**

It is the State's policy to review each program measure during plan development to ensure that SEP funds supplement existing federal, state and local programs or address needs that would otherwise not be funded.

**10. Compliance with Laws and Regulations (10CFR 420.13.b.8)**

In fulfillment of SEP activities, the State will comply with all applicable statutes and regulations in effect during the period of grant funding.

**11. Energy Emergency Plan (10CFR 420.13.b.9)**

Major emergency matters and planning are addressed by the Minnesota Department of Public Safety. The Department of Commerce has a designated liaison to work with the Minnesota Department of Public Safety's Emergency Management Division to aid in the response to natural disasters and potential terrorist threats. The Emergency Management Division meets with representatives from other state agencies and industry on a regular basis on emergency planning issues. Emergency plans for energy supply disruptions are incorporated in Minnesota Rules, Chapters 7615 and 7620. The plans detail implementation strategies for supply set-aside and allocation in the event of disruptions in petroleum supply.

In PY 2006 the Department was awarded money through the MN Department of Homeland Security and Emergency Management (HSEM) to develop a comprehensive Energy Emergency Assurance Plan with NASEO. The plan is finished and on file. Minnesota has one of the few energy information centers in the country and would utilize this resource to help disseminate information on energy conservation and renewables in the time of an energy emergency.

**12. Monitoring Approach (Annual SEP Guidance)**

All subgrantees will submit project based progress reports to the department. In addition, department staff will monitor progress and compliance through informal communication with subgrantees.

For ongoing activities implemented outside the department, the grantee will be subject to an annual review by department SEP administrative staff.

Review will cover:

- Progress in achieving programmatic goals
- Barriers, if any, to achieving goals
- Procedures for managing and accounting of grant funds
- Examination of a representative sample of documentation for costs charged to grant