



09 - 0107

January 21, 2009

The Honorable Ellen R. Anderson, Chair
Environment, Energy, and Natural Resources Budget Division
Minnesota State Senate
Room 120 State Capitol

The Honorable Bill Hilty, Chair
Energy Finance and Policy Division
Minnesota House of Representatives
Room 559 State Office Building

The Honorable Dennis R. Frederickson
Environment, Energy, and Natural Resources Budget Division
Minnesota State Senate
Room 139 State Office Building

The Honorable Torrey Westrom
Energy Finance and Policy Division
Minnesota House of Representatives
Room 273 State Office Building

Dear Committee Members:

This information is submitted on behalf of the Department of Administration and in accordance with Minnesota Statutes §16B.322, Subd. 8, which provides as follows:

"Beginning January 15, 2009, and each year thereafter, the commissioner of administration shall submit to the chairs and ranking minority members of the senate and house of representatives committees on energy finance a report containing, at a minimum, the following information regarding projects implemented under this section: (1) the total number of projects; (2) the amount of calculated and, if available, actual energy savings for each project; (3) the cost of each project; and (4) the total amount paid for technical services provided under subdivision 3 for each project."

As part of the work plan approved by the U.S. Department of Energy, standards of work are being developed for the following activities:

- 1) Financial analysis to calculate expected pay-back schedule and operational savings
- 2) Calculating reductions in energy consumption and the use of fossil fuels
- 3) Measurement and verification plans to determine real savings achieved
- 4) Determining if an energy efficiency improvement project is technically and economically feasible
- 5) Project financing for energy improvements
- 6) Financial analysis of alternative energy systems and their paybacks
- 7) Use of conservation investment plans under MN Statute 216B.241

In addition, Master Contracts are being established with qualified responder(s) to complete energy studies, prepare plans and specifications, and perform measurement and verification on energy improvement projects in accordance with the written standards.

The approved work plan included completion of up to three pilot projects. To this end, an energy study is being conducted at the Minneapolis Veterans Home. Other potential pilot projects have been identified and are anticipated to begin in the near future. To date, no funding under the interagency agreement has been expended.

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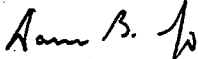
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If you have any questions, please contact our office. Thank you for your continued support of the Department of Administration.

Sincerely,

A handwritten signature in black ink, appearing to read "Dana B. Badgerow". The signature is written in a cursive style with a large, sweeping flourish at the end.

Dana B. Badgerow
Commissioner

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