

mn.gov/commerce/

AT A GLANCE

- **\$55.1B** – Bank and credit union assets regulated by the Department
- **\$8.9B** – Securities assets under management regulated by the Department
- **350,000** – Permissions and licenses issued to individuals and entities by the Department
- **\$900M** – Savings for Minnesota utility ratepayers recommended in 2016 regulatory filings
- **133,000** – Low-income households served by the Low-Income Home Energy Assistance Program during federal FY16
- **1,814,246** – Megawatt-hours (MWh) of electricity saved through Conservation Improvement Plans in 2014 and 2015
- **10,000+** - Investigation matters annually
- **\$49,287,005**– Returned to 30,412 claimants by the Unclaimed Property Program in FY16
- **\$9.2M** - Petrofund claims approved during FY15-16
- **467,069** – Total Minnesota Relay service calls in 2015

PURPOSE

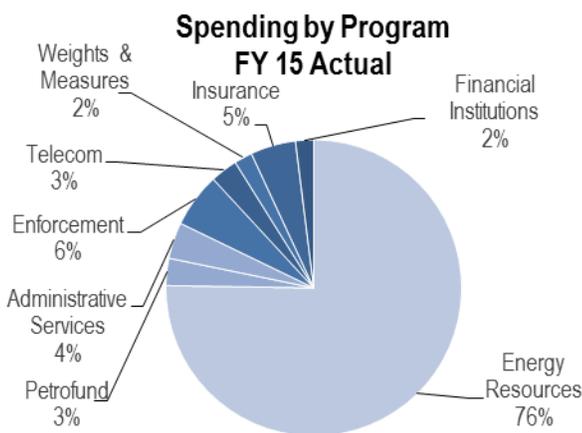
The Department of Commerce regulates over 20 different industries and licenses approximately 350,000 individuals and entities to do business in Minnesota. The agency's mission is to protect the public interest; advocate for Minnesota consumers; ensure a strong, competitive and fair marketplace; strengthen the state's economic future; and serve as a trusted public resource for consumers and businesses.

The Commerce Department supports the following statewide outcomes by:

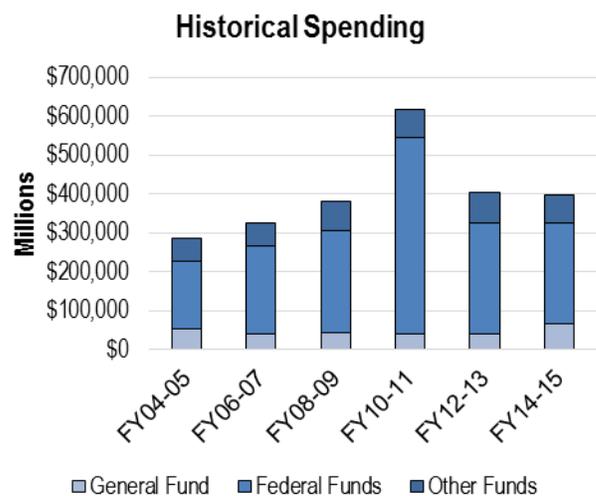
- Licensing and regulating individuals and entities to ensure a thriving economy that encourages business growth and employment opportunities;
- Pursuing civil and criminal enforcement activities to protect Minnesotans from fraudulent activities and ensure strong and stable families and communities;
- Reviewing health insurance products and filings to ensure that all Minnesotans have optimal health;

- Advocating on behalf of the public interest in energy-related matters to ensure a clean, healthy environment with sustainable uses of natural resources;
- Promoting strong, competitive and fair marketplaces to ensure sustainable options to safely move people, goods, services & information;
- Effectively responding to the needs of consumers, licensees and applicants to ensure delivery of efficient and accountable government services.

BUDGET



Source: BPAS



Source: Consolidated Fund Statement

The Commerce Department's budget is composed of General Fund appropriations, federal funds and Special Revenue funds. The largest component of the Commerce Department's budget is federal funding received for administering the Low-Income Home Energy Assistance and Weatherization Programs. Financial Institutions, Insurance, Telecommunications and Energy Resources assess and recover costs from regulated entities for the General Fund. Petrofund and Weights & Measures are funded exclusively from Special Fund accounts. General Fund operating appropriations for the Commerce Department have remained relatively consistent over the last decade though the department has received funds for one-time purposes. The agency's spending level changes largely reflect the impact of federal stimulus funding that passed through the Commerce Department during the economic downturn.

STRATEGIES

The Commerce Department employs numerous strategies to achieve success throughout its various divisions and business units. Strategies include:

Financial Institutions

- Licensing, examining and regulating state-chartered banks and credit unions, as well as non-depository institutions, to ensure that they remain safe and financially solvent

Insurance

- Regulating insurance companies operating in Minnesota to ensure they remain safe and financially solvent
- Reviewing insurance product filings to ensure that insurance products sold to Minnesotans meet state and federal requirements

Administrative Services

- Serving as the agency's primary point of contact for Minnesota consumers
- Licensing individuals and entities to do business in Minnesota
- Providing unclaimed property services to Minnesotans
- Integrating information management services and technical support for the agency
- Managing day-to-day office, financial and human resources operations for the agency

Enforcement

- Enforcing compliance and responsible business conduct across the agency's entire regulatory portfolio
- Registering securities sold in Minnesota as well as individuals and entities who provide investment services to Minnesotans
- Investigating civil and criminal insurance fraud

Energy Resources

- Advocating on behalf of consumers and ratepayers in electric and gas utility rate proceedings
- Promoting energy-efficient building, conservation, alternative transportation fuels and modern energy technologies
- Overseeing conservation improvement programs operated by public, municipal and cooperative utilities
- Administering low-income heating and weatherization assistance programs

Telecommunications

- Advocating on behalf of consumers and ratepayers in proceedings relating to telecommunications and utilities
- Promoting competition among telecommunications companies in Minnesota

Weights & Measures

- Ensuring accuracy in all commercial transactions based on weight or measure and the consistent quality of petroleum products in Minnesota
- Providing precision mass, temperature, density and volume measurement services to Minnesota businesses

Petrofund

- Reimburses petroleum storage tank owners and operators for the cost of investigating and cleaning up petroleum tank releases
- Contracting to remove abandoned underground petroleum storage tanks across Minnesota

The primary legal authority for the Commerce Department is located in Minn. Stat. §45; the agency's authority, however, extends to numerous additional chapters including: 46, 47, 48, 48A, 49, 50, 51A, 52, 53, 53A, 53B, 53C, 54, 55, 56, 58, 58A, 59A, 59B, 59C, 60A, 60B, 60C, 60D, 60E, 60F, 60G, 60H, 60J, 60K, 60L, 61A, 61B, 62A, 62B, 62C, 62D, 62E, 62F, 62H, 62I, 62J, 62L, 62M, 62Q, 62R, 62S, 62U, 64B, 65A, 65B, 66A, 67A, 69, 70A, 71A, 72A, 72B, 72C, 79, 79A, 80A, 80B, 80C, 81A, 82, 82B, 82C, 83, 115C, 116J, 123B, 169, 174, 176, 214, 216A, 216B, 216C, 216E, 216F, 222, 237, 239, 272, 299F, 301, 318, 325D, 325E, 325F, 325N, 332, 332A, 332B, 334, 345, 359, 386, 462A, 465, 471, 475, 507, 510, 514, 550 and 609B

Program: Financial Institutions Division

mn.gov/commerce/industries/financial-institutions/

AT A GLANCE

- The Financial Institutions Division regulates state-chartered banks, state-chartered credit unions and non-depository institutions in Minnesota
- Minnesota has 250 state-chartered banks
- Minnesota has 78 state-chartered credit unions
- Minnesota has 4,138 licensed non-depository entities and individuals
- The Division works with other state-based and federal regulators to ensure the safety and solvency of Minnesota financial institutions.

PURPOSE & CONTEXT

The Financial Institutions Division licenses and regulates state-chartered institutions and entities that provide financial products and services. These include banks, trust companies, credit unions, certificate investment companies, thrift companies, consumer credit companies, debt management companies, debt settlement companies, mortgage companies, currency exchanges, payday lenders and money transmitters. The Division serves all Minnesota consumers and businesses that rely on these regulated businesses for financial products and services.

The Division performs on-site examinations that focus on various financial factors, including loan portfolios and overall asset quality. The Division’s mission is to ensure a competitive market for a broad range of financial services, mitigating and resolving financial stress and insolvencies with minimal financial losses to citizens.

SERVICES PROVIDED

The Financial Institutions Division employs the following strategies to achieve success:

- Chartering and conducting on-site examinations at all state-chartered banks, trust companies, credit unions and certificate investment companies on a 12- to 24-month cycle
- Licensing and examining consumer credit companies with a focus on consumer compliance
- Licensing currency exchanges, payday lenders, money transmitters and debt management service providers
- Participating in the Nationwide Multistate Licensing System & Registry (NMLS), which screens and licenses persons who engage in mortgage origination
- Conducting on-site mortgage company examinations
- Conducting examinations jointly and sharing findings with the Federal Deposit Insurance Corporation , the Federal Reserve Bank, and the National Credit Union Administration
- Participating in joint multi-state examinations of interstate mortgage and money transmission companies
- Engaging in outreach activities to promote financial literacy among all Minnesotans and collaborating with state-chartered financial institutions to protect seniors and vulnerable adults from fraud

The Financial Institutions Division measures success by:

- Monitoring the financial health of Minnesota's state banks, credit unions, trust companies, mortgage companies, and the nation's only certificate investment company
- Conducting examinations of banks, credit unions, finance and mortgage companies
- Initiating corrective actions where appropriate
- Acting on various licensing and activities applications for the supervised enterprises in a timely manner and according to statutory requirements
- Maintaining accreditation (peer review quality control) with the Conference of State Bank Supervisors
- Minimizing the impact on Minnesotans in the event of a financial institution failure through timely and adequate intervention procedures
- Assisting the Legislature in updating state statute and regulations as needed

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Results	Complete financial examinations for state-chartered banks and credit unions within the 12-24 month time frame	100%	100%	2015 and 2016
Quality	Act on company licensing applications and corporate amendment applications on a timely basis	60 days	60 days	2015 and 2016
Quantity	Limit troubled company market disruptions(1)	0	0	2015 and 2016
Quantity	Number of banks on the troubled bank monitoring list(2)	38	16	2015 and 2016
Results	Increase number of licensed programs types utilizing NMLS(3)	1	4	2015 and 2016

Performance Measures Notes:

1. In 2013 and 2014, Minnesota saw one failure each year of a state-chartered bank. In 2008 through 2014, 15 state-chartered banks failed. No apparent losses were incurred by Minnesota consumers in any of these cases.
2. As of 6/30/2016, the number of banks on the problem bank monitoring list is 16. That is down from a high of 111 for 2010.
3. This performance measure tracks the Division's progress towards achievement of a long-term goal to move all non-depository institutions to the same electronic licensing platform. Two more licensed program types will start using NMLS in late 2016 or early 2017.

Statutory Authority: The Department's authority is located in Chapters: 46, 47, 48, 48A, 49, 50, 51A, 52, 53, 53A, 53B, 53C, 54, 55, 56, 58, 332, 332A, 332B, 334.

Program: Petroleum Tank Release Cleanup Fund (Petrofund)

<http://www.mn.gov/commerce/industries/fuel/petrofund/>

AT A GLANCE

- **\$440 million:** Approximate number of reimbursements paid out to eligible applicants since 1987.
- **13,000:** Number of leak sites addressed Funding provided for corrective actions performed at approximately 13,000 leak sites since 1987.
- **Over 400:** Underground petroleum storage tanks removed from approximately 280 properties since 2004.

PURPOSE & CONTEXT

The Petroleum Tank Release Cleanup Fund (Petrofund) contributes to a cleaner environment and helps to prevent the pollution of Minnesota's soil and water by providing eligible applicants with reimbursement for a portion of their costs to investigate and clean up contamination from leaking petroleum storage tanks. Last session, the Petrofund was renewed through 2022.

SERVICES PROVIDED

- Helps applicants with the costs to investigate and clean up contaminated soil and water from leaking petroleum storage tanks in the most cost-effective manner possible;
- Contracts for the removal of abandoned underground petroleum storage tanks;
- Recovers costs from responsible persons for investigation and cleanup work performed by the Minnesota Pollution Control Agency (MPCA) when the responsible persons are unwilling or unable to complete statutorily-required corrective actions;
- Passes through funds to the MPCA for administration of the Petroleum Remediation, Tank Compliance and Assistance, and Emergency Response programs, mainly to pay for state-financed investigation and cleanup projects where no viable responsible person is available; and
- Annually approves the use of funds by the Minnesota Department of Employment and Economic Development (DEED) for the administration of the Contamination Cleanup and Investigation Grant Program.

RESULTS

The Petrofund program's goal is to provide timely financial assistance to those who are cleaning up contaminated soil and water from leaking petroleum storage tanks, ultimately helping protect public health and welfare and the environment. The principal measure requires that initial applications be reviewed within 60 days of receipt and supplemental applications be reviewed within 120 days of receipt. Petrofund staff currently reviews applications within the 60-day and 120-day deadlines, as noted in the table below.

Another measure of the Petrofund's efforts to protect the health and safety of Minnesotans is the number of abandoned underground petroleum storage tanks that have been removed by the program, thereby eliminating existing and potential sources of contamination that would otherwise go unaddressed. Petrofund tracks a wide array of tank removal data, including the number of tanks removed, the amount of petroleum product/sludge/contaminated water removed from the tanks, the number of petroleum releases reported to the MPCA, and project cost information. The program removed all eligible tanks identified in the past fiscal year.

To help ensure a level playing field for the state's petroleum storage tank owners, Petrofund recovers costs from responsible persons for investigation and cleanup work performed by the MPCA when the responsible persons are unwilling or unable to complete statutorily-required corrective actions. Petrofund's typical recovery amounts to 10 percent of the total corrective action costs, which is the responsible person's share under MINN. STAT. §115C. If necessary, costs are referred to Minnesota Collection Enterprises at the Minnesota Department of Revenue. Petrofund staff reviewed 82 cost recovery cases in the past fiscal year.

Type of Measure	Name of Measure	Previous	Current	Dates
Quality	Review of reimbursement applications within 60- and 120-day statutory deadlines.	All applications within 20 days	All applications within 16 days	2015 and 2016
Quantity	Removal of abandoned underground petroleum storage tanks.	40 tanks 26 sites	13 tanks 11 sites	2015 and 2016
Quantity	Recovery of corrective action costs	\$137,090.60	\$128,346.46	2015 and 2016

Performance Measure Notes:

1. When a Petrofund applicant incurs costs, they can either submit all costs in one application or request reimbursement in multiple applications. Initial applications must be reviewed within 60 days. All subsequent applications must be reviewed within 120 days.
2. The application review data compares the application queue as of July 2015 (previous) and July 2016 (current). The application queue is mainly driven by the number of reimbursement applications received.
3. The abandoned tank removal data compares the number of tanks removed in Fiscal Year 2015 (previous) to the number removed in Fiscal Year 2016 (current). The number of tanks removed is contingent on the number of applications received and the staff resources available to manage the tank removal projects.
4. The cost recovery data compares the amount of money recovered in Fiscal Year 2015 (previous) to the amount recovered in Fiscal Year 2016 (current).

Statutory Authority: The Petrofund program's legal authority is found in Chapter 115C.

Program: Administrative Services

www.mn.gov/commerce

AT A GLANCE

- 212,829: The total number of currently active licenses issued by the Commerce Department’s Licensing Unit to individual Minnesotans and businesses
- 27,856: Total number of calls the Consumer Services Center handled from January through July 2016
- 99.7%: Percentage of invoices processed by Financial Services within 30 days
- \$695.4 Million: Amount of Unclaimed Property safeguarded by the state belonging to Minnesota residents and businesses available for claim by rightful owners
- 16,927: Unclaimed Property claims paid in FY16 within 48 hours
- 30,412: Total claims processed by Unclaimed Property unit in FY16, an all-time record
- \$49,287,000: Total amount of property returned in FY16 by Unclaimed Property Unit, an all-time record.

PURPOSE & CONTEXT

Administrative Services supports Commerce Department core functions, including assisting consumers through a robust regulatory system to promote economic and business growth.

Administrative Services is made up of the following: Consumer Services Center, Licensing, Unclaimed Property, Government Affairs, Financial Services and Human Resources.

Consumer Services, Licensing, Unclaimed Property and Government Affairs serve hundreds of Minnesotans on a daily basis. These units support the Commerce Department’s overall mission by serving as an information resource and advocate for consumers while directly facilitating business development in the state.

In addition, central management functions provided by Financial Services and Human Resources ensure compliance with statewide requirements and continuity of department operations.

SERVICES PROVIDED

Consumer Services Center (CSC)

- Serves as the “front door” to the agency answering consumer inquiries, responding to complaints and providing emergency assistance during natural disasters
- Assists compliance with laws, if violations of law have occurred, and helps protect consumer rights in response to consumer complaints

Licensing

- Administers application and renewal programs for 15 different professional licenses to individuals and businesses across the insurance, real estate, collection agency and bullion coin dealer industries
- Approves applications for pre-license and continuing education courses, maintains experience requirement standards and works with regulated entities to clarify statutory requirements and applicable policies

Unclaimed Property

- Safeguards abandoned property in perpetuity while processing claims to reunite properties with rightful owners
- Takes in unclaimed property from companies (or “holders”) with a statutory obligation to report and remit property to the state once the property owner has not been located after a specific period of time

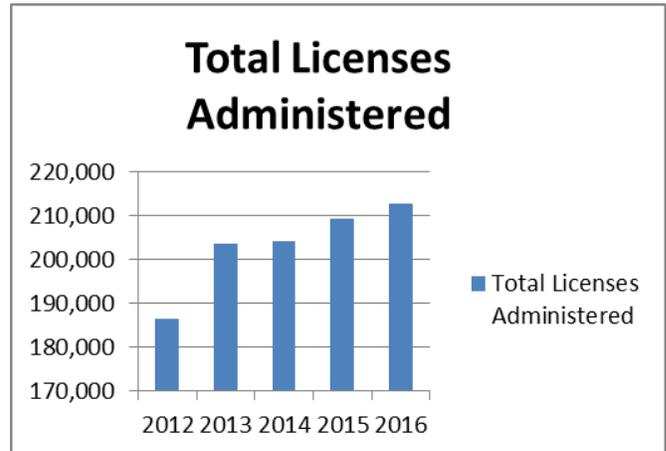
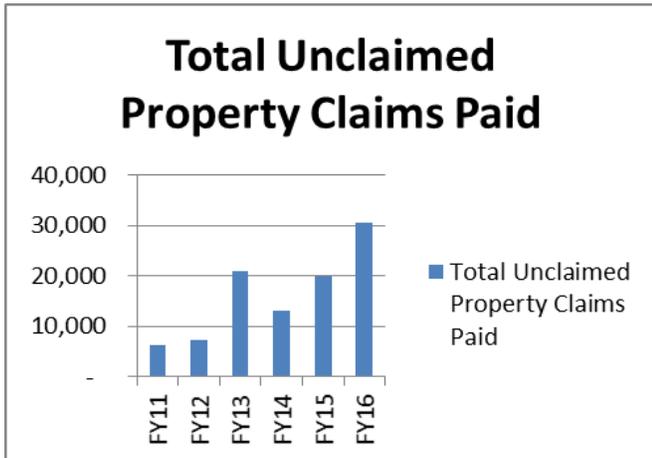
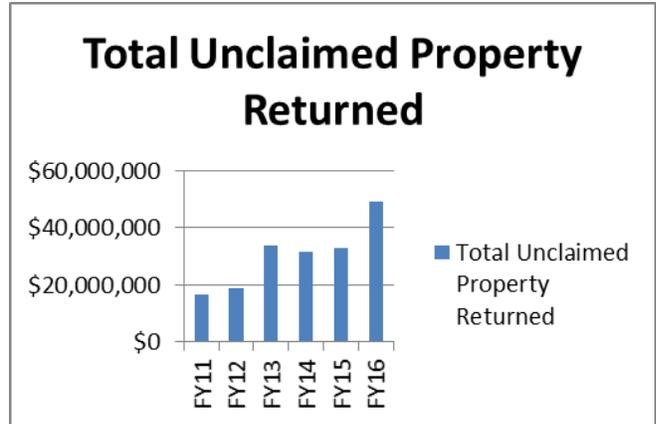
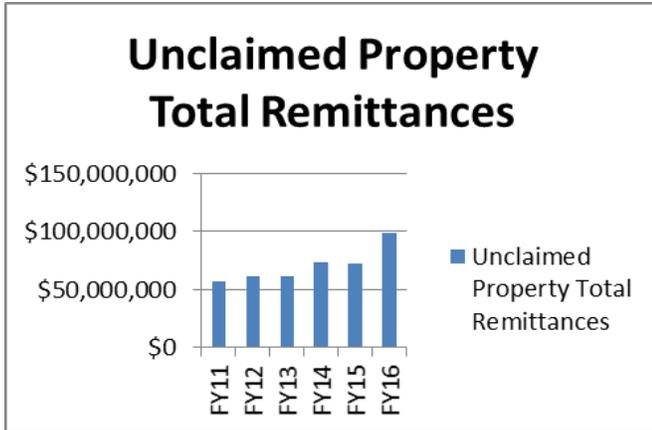
Government Affairs

- Leads policy development and advocacy for the agency
- Oversees constituent services for consumers who contact the agency via elected officials

Financial Services and Human Resources

- Manages day-to-day office, financial and human resources operations
- Provides information management services and technical support including data processing, budget implementation, payroll and facilities management

RESULTS



Statutory Authority: While many of the categories of licensure administered by the division have their own statutory citations, the broad authority to license is granted to the Commerce Department under MINN. STAT. §45. Unclaimed Property authority is found in MINN. STAT. §345

Program: Enforcement Division

mn.gov/commerce/consumers/file-a-complaint/

AT A GLANCE

- In calendar year 2015, the Enforcement Division:
 - \$5.4 million: Recovered through enforcement actions
 - 519: Number of enforcement actions
 - \$5,680,338: Assessed in civil penalties
 - Issued 25 Auto Theft Prevention grants to local law enforcement partners, county attorney offices and others totaling \$1,785,000
 - 2,061: Reports received of suspected insurance fraud (a 123% increase since 2008)
 - 39: Examinations of investment advisers registered and located in Minnesota, which represents a 49% increase since the exam program was developed in 2013 in Dodd-Frank Act

PURPOSE & CONTEXT

The mission of the Commerce Department’s Enforcement Division is to protect consumers against unfair, deceptive or fraudulent practices; ensure successful businesses, job creation and economic opportunities; and maintain fair and consistent regulation in the marketplace.

The Enforcement Division engages in consumer protection and assists consumers to resolve issues with regulated entities. Enforcement staff perform audits and examinations of insurance and securities businesses operating in Minnesota and coordinates with local law enforcement, county prosecutors and the US Attorney’s Office to take civil and/or criminal actions against individuals or entities violating Minnesota laws. The Division also provides public education and outreach to facilitate financial literacy and capability amongst all Minnesotans, particularly seniors.

The Enforcement Division is structured into three businesses units: Civil Investigations (including Market Conduct Examinations), the Commerce Fraud Bureau (conducts criminal investigations with licensed peace officers), and Securities.

SERVICES PROVIDED

Civil Investigations & Market Conduct

- Safeguard Minnesota consumers’ rights and investments
- Conduct civil investigations, audits and market conduct examinations to determine whether any law under the department’s jurisdiction has been violated, while providing due process during the resolution of any violations
- Regulate business activity to ensure compliance, responsible business conduct and a fair and consistent regulatory environment for both businesses and consumers
- Engage in outreach activities to inform, educate and get feedback from stakeholders
- Undertake regulation of the bullion coin industry which was added to Commerce’s list of regulated industries in 2014

Commerce Fraud Bureau

- Undertake criminal investigations related to insurance fraud and all related activities
- Review notices and reports of insurance fraud submitted by authorized insurers, their employees, and agents or producers, as well as notifications or complaints of suspected insurance fraud generated by other law enforcement agencies, state or federal government units or any other person
- Administers the Auto Theft Prevention Account and grant program which partners with local law enforcement to reduce the incidence of auto theft across Minnesota
 - The Auto Theft Prevention grant program has helped to reduce the number of reported automobile thefts in Minnesota which declined from 7,601 in 2014 to 7,348 in 2015.

Securities

- Safeguard investors' and consumers' rights with respect to securities products, investments, franchises, and subdivided land
- Regulate and register business activity to ensure compliance, responsible business conduct and practices, and ensuring a fair and consistent regulatory environment
- Advocate for, and provide assistance to, investors and consumers through consumer complaint resolution and public education and outreach
- Work with other state, federal and self-regulatory bodies that share regulatory authority over the securities area

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Investigations Initiated	2,286	2,780	2014 and 2015
Quantity	Market Conduct Examinations	26	33	2014 and 2015
Results	Administrative Actions Taken	547	519	2014 and 2015
Quantity	Investment Advisor Representative Registrations*	10,107	10,639	2014 and 2015
Quantity	Broker-Dealer Agent Registrations *	133,496	140,242	2014 and 2015
Quantity	Investment Advisors with a principal office in Minnesota Registrations**	264	274	2014 and 2015

The Results above are for Calendar Years 2014 and 2015.

* Minnesota began registering investment advisor representatives in 2013. In addition to investment advisors, the Enforcement Division also registers broker dealers, agents, franchises and timeshares.

** As a result of the "IA Switch" following implementation of the Dodd-Frank Act, the Department became the sole regulator of investment advisers based in Minnesota with assets under management of \$100 million or less. The number of investment advisers registered and located in Minnesota has generally increased since the IA Switch. The implementation of the U.S. Department of Labor's "Fiduciary Rule" (which will become effective in April 2017) is likely to further increase the number of state-registered investment advisers as small broker-dealers adjust their business practices to comply with the rule.

Statutory Authority: MINN. STAT. §45.027 and 60A.03 provide the legal authority for the Enforcement Division's civil investigations and market conduct examinations. MINN. STAT. §45.0135 provides the legal authority for the Commerce Fraud Bureau and 65B.84 provides the legal authority for the Auto Theft Prevention Program. MINN. STAT. §80A provides the legal authority for the Securities unit.

Program: Telecommunications

mn.gov/commerce/industries/telecom/

AT A GLANCE

- **97.9%:** Percentage of all homes in the state that have telecommunications services available, including reliable and vital 911 services. This includes those Minnesotans with hearing, speech and physical disabilities.
- **724:** Opened cases in 2015
- **642:** Number of new Telephone Equipment Distribution Program participants in 2015

PURPOSE & CONTEXT

The Telecommunications Unit serves the public as a state regulator of the telecommunications industry. The unit reviews filings made with the Public Utilities Commission (PUC) by telecommunications companies in compliance with state statutes, PUC orders, and state and federal regulations. It investigates complaints from the public, local governments and telecommunications companies about illegal, unfair, or anti-competitive practices and takes action to enforce state and federal statutes and regulations.

The unit also administers the Telecommunications Access Minnesota (TAM) program, which delivers free services to persons with hearing, speech, or physical disabilities through the Minnesota Relay, and also funds the provision of specialized telecommunications equipment through the Telephone Equipment Distribution (TED) Program.

Most of the functions of the unit are fully assessed to and paid by the telecommunications providers, based on their gross Minnesota jurisdictional revenues. TAM programs are funded by a surcharge on all wired and wireless telephone access lines and a fee on each retail transaction for prepaid wireless telecommunications services in Minnesota.

SERVICES PROVIDED

- Advocating on behalf of the public interest for statewide telecommunications policies that promote a high quality, affordable telecommunications network in Minnesota
- Enforcing Minnesota and Federal laws and rules of the Minnesota Public Utilities Commission and the Federal Communications Commission
- Investigating company filings and telecommunications matters for compliance with Minnesota requirements
- Administrative review of licensing requests, service quality, pricing of services, and the competitive practices of incumbent and competitive telecommunications companies

RESULTS

The Telecommunications Unit measures success by the extent to which all Minnesota citizens have access to high-quality, affordable telecommunications services, and by the ability of the Unit to carry out its statutory duties to the PUC and the legislature. The impact of the unit's activities is reflected in the fact that 97.9% of all homes in the state have telecommunications services available, including reliable and vital 911 services. This includes those Minnesotans with hearing, speech, and physical disabilities. The unit has consistently and thoroughly implemented and enforced state and federal statutes and rules in a way that is efficient and fair to all parties.

Type of Measure	Name of Measure	Previous	Current	Dates
Quality	Telecommunications Penetration	98.1%	97.9%	2013 and 2014
Quantity	Number of cases opened*	719	724	2014 and 2015
Quantity	Number of new Telephone Equipment Distribution Program participants	763	642	2014 and 2015
Quantity	Number of Minnesota Relay conversation minutes used	1,466,201	1,209,915	2014 and 2015

*Number of cases opened does not reflect the complexity of the issues and the amount of staff time required.

Statutory Authority: The Department's authority to regulate telecommunications providers is located in Chapter 237.

Program: Division of Energy Resources (DER)

mn.gov/commerce/industries/energy/

AT A GLANCE

- **\$900 million:** Utility ratepayer savings advocated before the Public Utilities Commission
- **\$113 million:** Low-Income Home Energy Assistance Program (LIHEAP) funds serving approximately 340,000 Minnesotans
- **500,000 Minnesotans:** Received energy-related information through phone, email, web visits, brochures and the Energy Home State Fair exhibit
- **180:** Electric and natural gas utility Conservation Improvement Plans (CIP) reviewed and approved resulting in over 1.8 million megawatt-hours (MWh) and 6.6 million thousand cubic feet saved in 2014 and 2015
- **14:** Projects that underwent environmental review and technical support to the Public Utilities Commission, including three solar energy plants, four pipeline projects and seven high-voltage transmission lines

PURPOSE & CONTEXT

The Division of Energy Resources (DER) provides energy-related services to Minnesotans by:

- Advocating on behalf of the public interest in regulated utility matters
- Administering Minnesota’s Low-Income Home Energy Assistance Program (LIHEAP) and Weatherization Assistance Program (WAP)
- Assisting viable new energy technologies to enter the commercial market
- Providing public sector energy efficiency and renewable energy assistance
- Overseeing utilities’ Conservation Improvement Programs (CIP)
- Providing technical support for Public Utilities Commission (PUC) siting and permitting of large energy facilities
- Analyzing the human and environmental impacts of energy development

- Providing compliance overview for all permits through construction and ongoing review of operating wind facilities and solar plants
- Distributing information to individual energy users on actions they can take to reduce energy usage

SERVICES PROVIDED

The Division of Energy Resources provides the following services to support Minnesota’s energy consumers and the environment:

- Ensure energy service is reliable and regulated energy services are reasonably priced through continued investigation of utility rate and resource proposals, in advocacy before the Public Utilities Commission, and collaboration with federal and regional transmission participants in advocating for the public interest before the Federal Energy Regulatory Commission
- Provide technical resources to ensure energy efficiency and renewable energy projects are cost efficient and soundly engineered for consumers, local units of government, state agencies and trade allies
- Pursue public-private partnerships with capital markets participants to deploy new clean energy technologies and bring new venture capital opportunities for Minnesota's businesses
- Continue to work with utilities to meet or surpass Conservation Improvement Program (CIP) goals while expanding work to make all public buildings more energy efficient through programs such a Buildings, Benchmarks and Beyond (B3) and Sustainable Building 2030.
- Ensure that utilities continue to meet or surpass Renewable Energy Standard and Solar Energy Standard targets.
- Develop additional programs to encourage solar/wind installations and increased biofuel use.
- Administer state agency and local unit of government technical assistance to implement energy efficiency and conservation projects while helping secure financing and incentives to ensure project viability
- Provide technical resources for energy policy planning relating to greenhouse gas emissions reductions and carbon emissions reductions

- Administer the Low-Income Home Energy Assistance Program (LIHEAP) to help Minnesotans heat and cool their homes and the Weatherization Assistance Program (WAP) to enable Minnesotans to reduce their energy bills by making their homes more energy efficient
- Monitor fuel supplier end prices to ensure adequate and affordable energy
- Review environmental impacts for large energy facility permits and analyze issues of human and environmental impact pertaining to energy development

RESULTS

The work of the Division of Energy Resources encompasses many facets of energy. There are a number of performance measures that can be tracked that reflect the success of the various services provided:

Type of Measure	Name of Measure	Previous	Current	Dates
Quantity	Advocacy for public interest in PUC energy filings	345	387	2014 and 2016
Results	Meet or surpass energy savings goals in CIP (Natural Gas/Electric percentages)	Electric Utility Savings: 1.7% Natural Gas Utility Savings: 1.0%	Electric Utility Savings: 1.7% Natural Gas Utility Savings: 1.1%	2014 and 2015
Results	Meet or surpass Renewable Energy Standard of 25% of energy comes from renewable sources by 2025**	Xcel Energy: 18% Other electric utilities: 12%	Xcel Energy: 18% Other electric utilities: 12%	2013 and 2015
Results	100% of wind projects in compliance with permit conditions	19%	80%	2015 and 2016
Quantity	Number of households served by low-income heating and weatherization programs	138,800	132,900	Federal FY2015 and Federal FY2016
Quantity	Environmental review and technical support for utility-scale solar generation facility permits issued by the Public Utilities Commission	0	3	2015 and 2016
Results	Contribution to Xcel Energy's obligation under the "Solar Energy Standard" to obtain 1.5% (300 MW) of its retail electricity sales from solar energy by 2020	0	262.25 MW	2014 and 2016

* (Energy savings goal is outlined in Minn. Stat. § 216B.241, subd. 1c.)

** (Minn. Stat. § 216B.1691 requires Xcel to meet the higher goal; the lower is for all other utilities)

Statutory authority for activities:

Reasonable energy rates: Minn. Stat. § 216B.03

Reliable energy service: Minn. Stat. § 216B.04

Conservation Improvement Program: Minn. Stat. § 216B.241 and § 216B.2411

Renewable Energy Standard: Minn. Stat. § 216B.1691

Low Income Weatherization Assistance Program: Minn. Stat. § 216C.264

Minnesota Business First Stop: Minn. Stat. § 116J.035, subd. 8
Large energy facility permitting: Minn. Stat. § 216E (Electric Power Facility Permitting); Minn. Stat. § 216F (Wind Energy Conversion Systems); Minn. Stat. § 216G (Pipelines)
Guaranteed Energy Savings Program: Minn. Stat. § 16C.144 and EO 11-12
Local Units of Government Energy Efficiency Program: Minn. Stat. § 216C.42 and 43
Energy Information Reporting: Minn. Rules Chapter 7610
Emergency Energy Conservation and Allocation Planning: Minn. Stat. § 216C.15
State Petroleum Set-Aside Program: Minn. Stat. § 216C.16
Minnesota Green Enterprise Assistance: Minn. Stat. § 116J.438
Clean Energy Resource Teams: Minn. Stat. § 216C.385
Renewable Energy Development: Minn. Stat. § 216C.053
Interconnection of on-site distributed generation: Minn. Stat. § 216B.1611
Alternative Energy Engineering Activity: Minn. Stat. § 216C.261
Wind Energy Production Tax: Minn. Stat. § 272.029
Solar Energy Production Tax: Minn. Stat. § 272.0295
Alternative Energy Sources: Minn. Stat. § 16B.32
Energy Research Project; Review: Minn. Stat. § 216C.26
Powers and Duties of Commissioner: Minn. Stat. § 216C.02
Community Energy Efficiency and Renewable Energy Loan Program: Minn. Stat. § 216C.145 and 146
ARRA Financing Programs: Public Law 111-5
Energy Forecasts and Statistical Reporting: Minn. Stat. § 216C.17
State Energy Policy and Conservation Report: Minn. Stat. § 216C.18
Made in Minnesota Solar Energy Incentive Program: Minn. Stat. § 216C.411 to 415
Energy Conservation Information Center: Minn. Stat. § 216C.11

Program: Weights & Measures

mn.gov/commerce/

AT A GLANCE

- FY16 Weights & Measures performance by the numbers:
 - **32,281**: Fuel pumps tested and inspected
 - **11,643**: Credit card readers for skimmers inspected
 - **8,574**: Tank inspections completed
 - **1,400**: B10 samples tested
 - **714**: High volume meters tested and inspected
 - **478**: Vehicle tank meters tested and inspected
 - **5,670**: Light capacity scales tested
 - **9,793**: Samples tested and inspected representing 89,434 packages
 - **1,733**: Vehicle scales tested and inspected
 - **927**: Grain and fertilizer scales tested and inspected
 - **1,147**: Other heavy capacity scales tested
 - **8,698**: Fuel quality tests completed
 - **14,587**: Objects calibrated

PURPOSE & CONTEXT

Weights & Measures protects Minnesota’s commercial markets by promoting and ensuring equity, accuracy and quality of goods and fuels. Weights & Measures:

- Promotes Minnesota businesses by providing precision measurement services and by certifying registered service agents who install and calibrate weighing and measuring devices to businesses and individuals
- Supports key Minnesota industries by testing lumber and agricultural scales, certifying the test chains used to calibrate taconite scales, and enforcing the biodiesel and biofuel content mandates enacted by the legislature
- Protects consumers by ensuring that weighing and measuring devices do not facilitate fraud; checking the net quantities of packaged goods; by checking for credit card skimmers at gas stations, and testing fuel

- Protects the health and safety of Minnesota citizens and the environment by checking for leaks and safety equipment on fuel dispensers; sulfur levels and volatility of fuel; and working with the Minnesota Department of Natural Resources to ensure proper firewood labeling to prevent the spread of invasive species

SERVICES PROVIDED

The Weights & Measures Division encourages business growth and employment opportunities by:

- Promoting an equitable marketplace where both consumers and vendors can be assured of getting a full measure in their commercial transactions, including in key economic markets such as agriculture, lumber and mining
- Ensuring quality fuel to keep Minnesotans’ homes and businesses powered and heated and their vehicles on the road while helping the state to meet its petroleum replacement and energy independence goals
- Facilitating the registration and certification of competent service agents to install and repair weighing and measuring devices throughout the state
- Providing International Origination for Standardization, ISO 17205 accredited calibration services to Minnesota manufacturers and other businesses which require those services to participate in international trade or to meet precision manufacturing standards

The Weights & Measures Division provides five services to promote an equitable marketplace, free from fraud, which contributes to a healthy, safe environment for all citizens:

- The metrology laboratory maintains National Institute of Standards and Technology (NIST) recognition and National Voluntary Laboratory Accreditation Program (NVLAP) accreditation; and ensures accuracy in basic physical measurement by maintaining the state standards for mass, length, volume, temperature, and density; and by offering precision calibration services to businesses and individuals

- Weights & Measures investigators enforce Minnesota statutes and rule to prevent fraud and ensure the accuracy and safety of gas pumps; meters used at terminals, refineries and airports; grocery scales; prepackaged commodities; livestock, railway track, grain and fertilizer scales; precious metals scales; and a broad range of other commercial weighing and measuring devices
- Petroleum lab staff and light duty investigators partner to ensure fuel quality, protect the environment, and enforce statutory biofuel mandates through records audits, routine sampling, complaint investigation, and fuel testing to ASTM quality standards and the Environmental Protection Agency volatility and sulfur standards
- Weights & Measures management and investigative staff test and monitor the competency and performance of registered service technicians and private liquefied petroleum gas inspectors who install and repair commercial weighing and measuring devices in Minnesota
- Weights & Measures consults with other agencies to harmonize policy and enforcement within the state and across the nation, including the Pollution Control Agency Tank Enforcement Division, the Department of Revenue Petroleum Division, and the Department of Agriculture on the Biodiesel Task Force, the NextGen Energy Board, and the Food Inspection Program. In addition, the division participates in regional, national and international standard-setting organizations such as the Central Weights and Measures Association (CWMA), the National Conference on Weights & Measures (NCWM), ASTM International (fuel subcommittees), and the National Conference of Standards Laboratories International (NCSLI).

RESULTS

In FY 2016, the Weights & Measures Division saw production rates rise 47% over the previous fiscal year. Compliance rates also improved slightly. Inspection intervals at current production levels are expected to be reduced to approximately 2 years.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous FY2015</i>	<i>Current FY2016</i>
Quantity	Number of devices, audits and package lots checked	46,592	68,761
Results	Percent of devices, audits and package lots approved as found without need for any corrections	79.8%	80.7%
Results	Percent of devices, audits and package lots removed from marketplace	1.3%	3.2%
Results	Percent of devices, audits and package lots corrected because of W&M inspections	19.0%	16.2%

Statutory Authority: The Department's authority is located in Chapter 239 and Minnesota Rule 7601.

Program: Insurance Division

mn.gov/commerce/industries/insurance/

AT A GLANCE

- **\$315 billion:** Number of Minnesota insurer assets regulated by the Insurance Division, an increase of \$57 billion since 2014
- **4,093:** Policy rate and form filings reviewed in 2015
- **16:** Domestic insurance companies issued formal examination reports
- **36:** Certificates of authorities issued increasing competition and providing additional capacity in the insurance marketplace
- **74 and 83:** Number of insurance risk entities and township mutuals that were safety monitored
- **2017:** The year the Division is due for National Association of Insurance Commissioners Accreditation Review. Accreditation allows other states to rely on the Department’s review and examination of domestic insurers, reducing cost and administrative burden for Minnesota insurers.

PURPOSE & CONTEXT

The mission of the Department of Commerce’s Insurance Division is to ensure that insurance companies licensed to do business in Minnesota are financially sound, offer insurance products that are fair and at reasonable rates, and inform and respond to the insurance needs of the residents and businesses of Minnesota, all contributing to a strong and vibrant economy.

The Division examines insurers to identify and prevent solvency and liquidity concerns, reviews complex insurance company transactions to prevent Minnesotans’ financial interests from being harmed and license companies.

The Insurance Division work is divided into actuarial review, financial analysis, examinations, licensing and insurance product form and rate filing for health, property and casualty and life insurance.

SERVICES PROVIDED

- The Insurance Division evaluates insurance policies and rates to ensure fairness in rates and compliance with Minnesota statutes and licenses, examines and regulates insurance companies to ensure they are safe and financially solvent now and in the future.
- The Insurance Division serves Minnesota consumers and businesses that rely on insurance companies (and other mechanisms designed to reduce financial risk) for financial products and services, the Minnesota insurance industry, other state insurance regulators, the legislature, and other state agencies.
- This activity is partially funded through the general fund and partially through the insurance examination revolving fund. Revenues generated from the activity consist of examination fees, desk analysis fees, registration and filing fees, transaction fees, and premium tax.

The work of the Insurance Division can be divided into the following broad categories:

- **Actuarial** – applies asset-liability modeling expertise to verify the adequacy of insurance company reserves and capital and review pricing models to ensure rates are adequate, not excessive, fair, non-discriminatory, and equitable;
- **Financial Analysis** – evaluate information and develop a financial profile of both domestic and foreign insurance companies doing business in Minnesota, based on statutorily required financial reports submitted by the companies and authorize requests for reportable transactions by domestic insurers. Recent regulations require that Department analysts review in-depth risk solvency assessments for large companies;
- **Examinations** – conducts on-site examinations of each Minnesota-domiciled insurer once every five years. Examiners review insurance company books and records at the company headquarters, conduct a risk-focused examination per national requirements, make recommendations for insurer improvement, and prepare examination reports;
- **Licensing** – reviews insurance company applications for insurers wishing to be admitted to the state and/or wishing to write additional lines of business and approves or denies those applications based on standards of compliance and financial strength;

- Insurance Product Form and Rate Filings – reviews insurance form and rate submissions for compliance with Minnesota statutes to ensure Minnesotans are protected from false and deceptive products, as well as review the financial condition of companies that self-insure.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Policy Form and Rate Review	4,345 filings reviewed	4,093 filings reviewed	FY2015 and FY2016
Quality	Speed-to-Market Form and Rate Review – Property & Casualty	41.4 days	27.7 days	FY2015 and FY2016
Quality	Speed-to-Market Form and Rate Review – Life & Health	34.5 days	39.4 days	FY2015 and FY2016
Quality	Speed-to-Market Form and Rate Review – Workers Compensation	11.8 days	10.4 days	FY2015 and FY2016
Quantity	Financial Examinations*	16	10	FY2015 and FY2016
Quantity	Financial Analysis*	74	74	FY2015 and FY2016

* Financial examinations are undertaken on a regular schedule. Financial Examinations are completed on individual insurance companies. Examinations are completed every three years for Health Maintenance Organizations on behalf of the Department of Health and every five years for indemnity insurers. Analysis is performed on a quarterly basis or more frequently as additional information is received. Financial Analysis is performed on a quarterly basis for 74 insurance entities.

Statutory Authority: The Department's authority is located in Chapters: 59A, 59B, 59C, 60A, 60B, 60C, 60D, 60E, 60F, 60G, 60H, 60J, 60K, 60L, 61A, 61B, 62A, 62B, 62C, 62D, 62E, 62F, 62H, 62I, 62J, 62L, 62M, 62Q, 62R, 62S, 62U, 64B, 65A, 65B, 66A, 67A, 69, 70A, 71A, 72A, 72B, 72C, 79, 79A.