



Minnesota Municipal Utilities Association

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April 23, 2020 - House Energy and Climate Finance and Policy Division

MMUA STRONGLY SUPPORTS HF 4502 THE ENERGY CONSERVATION AND OPTIMIZATION ACT

Minnesota Municipal Utilities Association (MMUA) urges members of the House Energy and Climate Finance and Policy Division to vote for passage of HF 4502, the Energy Conservation and Optimization Act (ECO). ECO is the culmination of an unprecedented effort over two years by MMUA and dozens of municipal utility professionals in cooperation with the Minnesota Rural Electric Association (MREA) and its members, along with advocates of conservation, consumers and the environment, as well as legislators, legislative staff, and the Department of Commerce. ECO represents policymaking in the true Minnesota tradition of collaboration by people working from all angles in pursuit of needed updating and improvement in energy industry regulation.

Keeping what works

First, the ECO Act recognizes the achievements and legacy of the state's Conservation Improvement Program (CIP), maintaining its energy conservation savings requirements, continuing the requirement that measures be cost-effective not just for the utility but also consumers, and promoting reductions in both energy consumption and CO₂ emissions.

Modernizing for the future

CIP was built prior to CFL and LED lighting, and before high-efficiency heating and air conditioning. Then CIP became stuck in neutral, relying primarily on a saturated program of rebating technologies and appliances that have become industry standard. ECO makes recognition and adoption of emerging technologies easier. In fact, one of ECO's biggest benefits is that it makes new and evolving, market-driven electric technologies eligible for utility incentives that save customers money and reduce greenhouse emissions. It's not just EVs and heat pumps. ECO uncuffs the innovation potential of consumer-owned utilities, putting energy leaders in search of the next efficiency revolution and putting what-comes-next within reach for all utility customers, including local businesses, homeowners, and renters.

Streamlining

Perhaps most importantly to many utilities, ECO makes CIP more workable for them, a balance between flexibility and State oversight. Mandatory spending requirements are removed for those utilities that can achieve their savings goal in a more cost-effective manner, and no new problematic mandates are imposed. Many municipal utilities will benefit from the option to plan their CIP efforts in one-year, two-year or three-year plans, allowing many to pursue bigger system improvements and electrification projects by front-ending expenditures to reap bigger conservation benefits over the life of the plan. And for utility customers on the low end of the economic scale, ECO expands CIP eligible low-income programs, including allowing CIP funds to help with preparatory measures that make weatherization possible in homes that need it most.

MMUA and the 124 municipal electric and 32 municipal gas utilities serving Minnesota stand behind the Energy Conservation and Optimization Act and thank every Minnesota Representative for their support in passing it.