

Joint Energy Committee Meeting

# Minnesota's Conservation Improvement Program

Bill Grant, Deputy Commissioner  
Jessica Burdette, CIP Supervisor



MINNESOTA  
DEPARTMENT OF  
COMMERCE

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# Overview and History of CIP

**1980:**

PUC directed to initiate a pilot to demonstrate the “feasibility” of investments in EE

**1989:**

All Public utilities were required to operate conservation improvement programs. Oversight transferred from PUC, low-income requirements added.

**1991:**

A specific level of spending was required (1.5% electric, 0.5% gas) & munis and coops were included.

**2007:**

**Next Generation Energy Act**

**1983:** Utilities with revenues greater than \$50 million were required to operate at least 1 conservation program. Required “significant” investment.

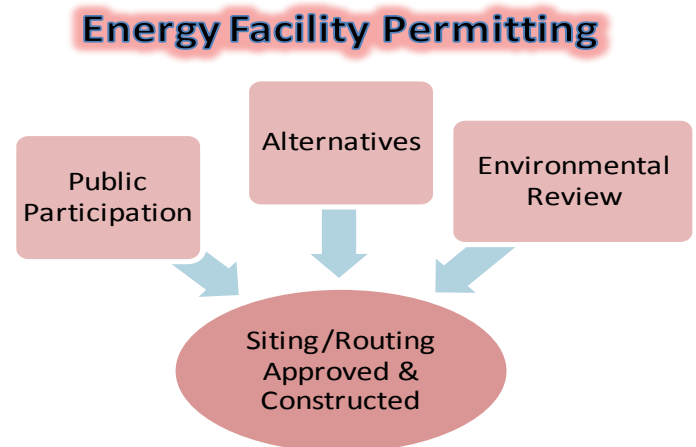
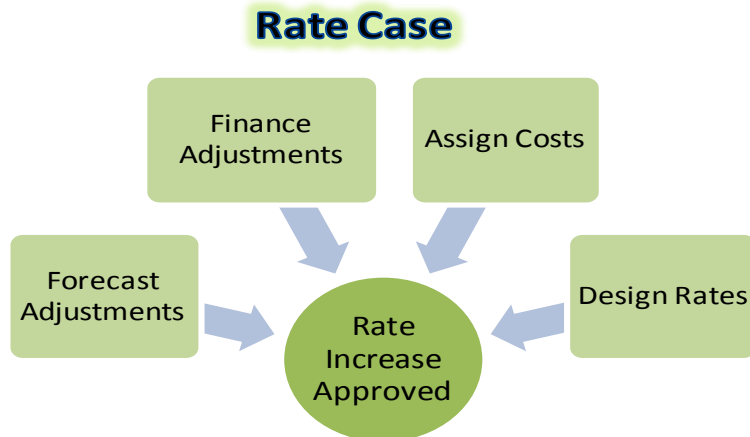
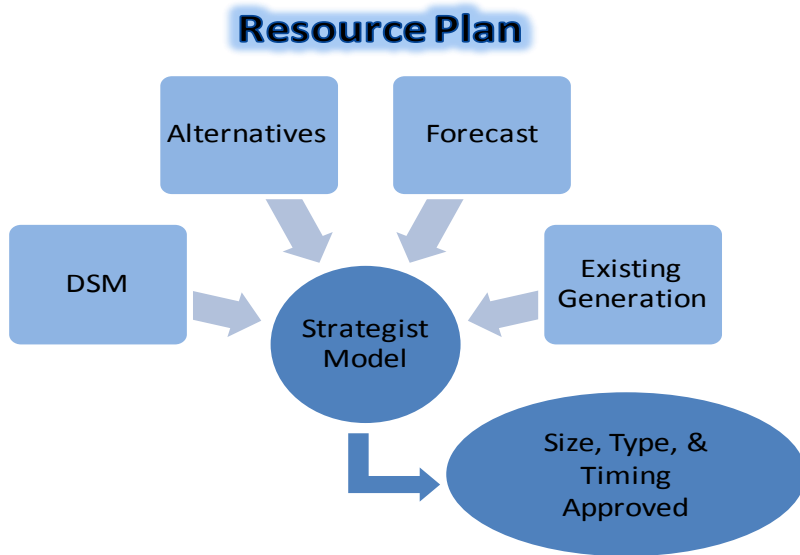
**1994:** Prairie Island settlement required [Xcel] to spend 2.0% of their annual GOR. Programs began to be evaluated against a pre-set goal.

**2010:**  
**1.5% Savings Goal for Utilities takes Effect**

# Why Energy Efficiency?

- Ratepayer Benefits
- Utility System Benefits
- Economic Benefits
- Environmental Benefits
- Risk Management

# Energy Efficiency as a Resource



# Current CIP Responsibilities

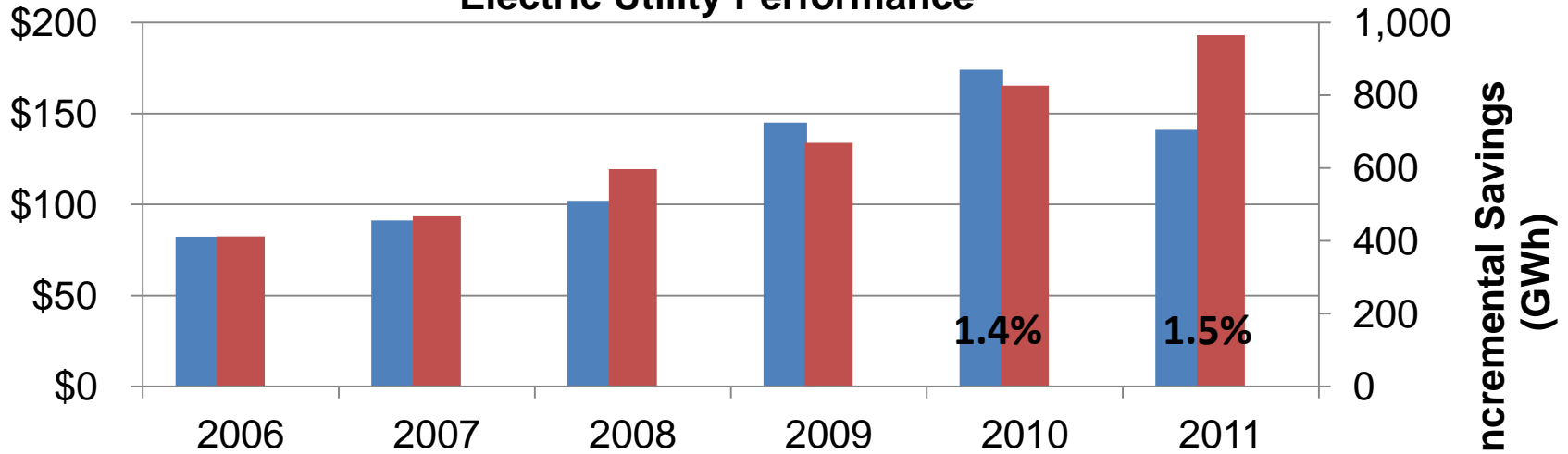
- Technical Assistance and Outreach
- Review and Evaluation
- Conservation Applied R&D
- Current Areas of Interest:
  - Large Customer Exemptions
  - Low Income Programs
  - DG and CHP
  - Ongoing support for CIP staff/reporting tools

# CIP – Low Income

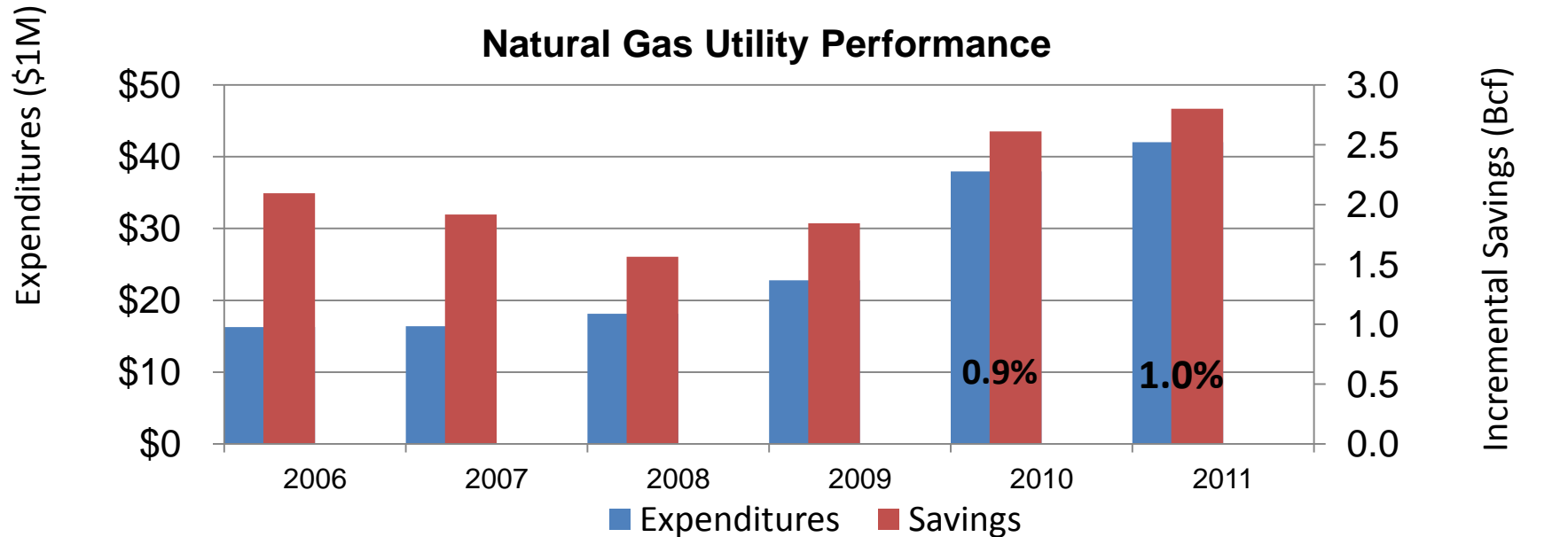
- Utilities are required to spend .2% of their residential gross operating revenue for CIP.
- \$8.2 million of CIP spending used to leverage federal dollars for the Weatherization Program.
- Each \$1 spent on Weatherization measures create an additional \$1.09 of economic activity.
- Serves those who spend 17% of their income on energy compare to non low-income who spend 4%.

# CIP Performance

## Electric Utility Performance



## Natural Gas Utility Performance



# CIP Performance

## 2009-2011

- *2.5 million MWh* and *7.3 million Dth* saved.
- Enough energy saved to heat, cool and power *46,203 homes* annually.
- Over *40 million tons* of CO2 emissions avoided over the life of the projects.
- Enough CO2 emissions avoided to take *169,017 cars* off the road for one year.
- Avoided *two 500 MW combined cycle plants* since 2007.



# Nationwide Context: Minnesota Ranking

