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Fresh Energy Support for the Energy Conservation and Optimization Act (“ECO Act”) H.F. 164

Fresh Energy writes to offer our support for House File 164 (Stephenson), the Energy Conservation and Optimization (“ECO”) Act. ECO will provide additional opportunities for Minnesotans throughout the state to save money on their energy bills, create additional job and economic opportunities, and reduce carbon emissions and pollution.

ECO unleashes the next generation of smart energy efficiency program design.

All Minnesotans stand to benefit from the energy and cost-saving opportunities included in ECO. For over two decades, Minnesota has been a national leader in promoting electric and gas energy efficiency, primarily through the Conservation Improvement Program (CIP). While CIP is widely considered successful and has saved Minnesotans billions of dollars, new technologies and low-carbon fuels are here that promise even greater system-wide opportunities to save energy, carbon, and costs for utilities, residents, and businesses.

ECO advances opportunities for expanded electrification and energy efficiency.

ECO builds on Minnesota’s successful energy efficiency foundation by including new energy, carbon, and cost-saving opportunities from load management (i.e. energy optimization) and efficient fuel-switching. This modernized framework will enable customers to receive rebates or incentives to switch to cost-effective all-electric technologies; it will allow businesses to heat and cool their buildings to coincide with lower cost energy generation periods; it will expand economic and workforce development; and it will ensure that Minnesota is able to continue innovating and striving towards meeting its climate and clean energy goals, while maintaining a consistent focus on the legacy energy efficiency programs that have worked well.

In addition to advancing cost-effective, energy-saving electrification and energy optimization opportunities across the state, ECO raises electric investor-owned utilities’ energy savings goals, increases the state’s overall energy savings goal (which includes utility and non-utility programs), and allows for additional tools for cooperative and municipal utilities to meet their energy savings targets. These important changes will ensure that Minnesota is continuing to innovate and advance the next generation of cost-effective energy efficiency policy.

ECO prioritizes low-income spending.

Fresh Energy has spent significant time and energy prioritizing the advancement of programs and opportunities that benefit under-resourced (also known as “low-income”) customers in ECO. There are over 500,000 low-income households in Minnesota, which often struggle with the ability to meet basic household heating, cooling, and energy needs. These individuals and families tend to live in less efficient housing stock and have older, less efficient appliances and equipment, making them good candidates for energy efficiency programs. ECO would double investments from investor-owned utilities that would provide under-resourced Minnesotans with additional opportunities to save money on their energy bills, create additional economic opportunities, and reduce pollution.

If passed, ECO would be one of the most significant pieces of recent Minnesota energy legislation.

A broad coalition of stakeholders have collaborated over the past several years to advance ECO to where it is today, and there is general agreement that advancing this bill now is good public policy. While we recognize that more work needs to be done to ensure that Minnesotans are able to meet our climate goals, grow jobs, and equitably serve its most at-need residents, this bill takes a significant step forward in advancing smart energy policy.

Sincerely,

Ben Passer
Lead Director, Energy Access and Equity
Fresh Energy