

HOUSE RESEARCH

Bill Summary

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Overview

Currently, investor-owned utilities (e.g., Xcel Energy, Minnesota Power) and cooperative electric associations and municipal utilities have similar responsibilities and face similar requirements to invest in cost-effective conservation measures under the state's Conservation Improvement Program (CIP). House File 1193 amends the responsibilities and requirements for the state's cooperative electric associations (co-ops) and municipal utilities (munis).*

1 [216B.241] Subd. 1b. Conservation improvement by cooperative association or municipality.

(c) Establishes a new energy savings goal for cooperative associations and municipal utilities as follows:

- requires a good-faith effort to save 1.5 percent annually, but spending beyond 0.5 percent of gross annual retail revenues for gas and 1.5 percent for electricity is not required;
- allows utilities experiencing zero or negative sales growth to meet a goal of 0.75 percent of gross retail sales;
- permits utilities to carry forward to future years energy-savings exceeding 1.5 percent;
- allows savings from electric utility infrastructure projects, as defined in section 216B.1636, to be applied toward the energy-savings goal; and
- applies five kwh towards the energy savings goal for each dollar spent educating customers and training employees and contractors regarding conservation.

(d) Allows a utility to petition the commissioner to exempt from the utility's energy-savings goal sales of any single customer, new or current, whose consumption increases total annual utility sales by ten percent or more.

(e) Prohibits utilities from being required to make conservation investments that are not cost-effective

in pursuit of an energy-savings goal.

(g) Allows energy shifted from peak daily loads to account for up to 50 percent of a utility's energy-savings goal.

(i) Allows a utility to submit to the commissioner a summary of its conservation improvement plan rather than the plan itself. Strikes language requiring commission approval of these plans.

2 **[216B.241] Subd. 1c. Energy-saving goals.** Removes references to cooperative associations and municipal utilities, making this subdivision apply only to public utilities.

* Minnesota has 125 municipal electric utilities (serving 337,000 customers), 31 municipal gas utilities, and 44 electric cooperative associations (serving 741,000 customers).