

## DECISION

**BEFORE THE COMMISSIONER OF THE  
MINNESOTA DEPARTMENT OF COMMERCE  
MIKE ROTHMAN, COMMISSIONER**

### Decision

**Issue Date:** October 1, 2012

In the Matter of the Implementation of Northern States Power Company, a Minnesota Corporation's 2013/2014/2015 Triennial Natural Gas and Electric Conservation Improvement Program (Petition)

Docket No. E,G002/CIP-12-447

Minnesota Waste Wise's Energy Smart Program

Docket No. E,G002/CIP-12-447.01

Center for Energy and Environment's Trillion BTU Program

Docket No. E,G002/ CIP-12-447.02

Center for Energy and Environment's One Stop Efficiency Shop Program

Docket No. E,G002/CIP-12-447.03

### I. PROPOSAL SUMMARY

On June 1, 2012, Northern States Power Company, a Minnesota corporation ("Xcel" or "the Company") submitted its *2013/2014/2015 Triennial Plan - Minnesota Natural Gas and Electric Conservation Improvement Program (Petition)* in Docket No. E,G002/CIP-12-447 to the Minnesota Department of Commerce, Division of Energy Resources (Department). The *Petition* includes details of the individual technologies and programs for the triennium, and proposed triennial savings goals, participation goals, and budgets.

On August 27, 2012, Staff of the Department submitted *Analysis, Recommendations, and Proposed Decision* (Proposed Decision) recommending Commissioner approval of Xcel's *Petition* with modifications.

On September 11, 2012, Xcel submitted *Reply Comments* containing the Company's responses to Staff's recommendations.

In addition to Xcel's *Petition*, three alternative Conservation Improvement Program (CIP) proposals for programs to be included in Xcel's 2013-2015 CIP were addressed in Staff's Proposed Decision:

- Minnesota Waste Wise's *Energy Smart Proposal*,
- Center for Energy and Environment's *Trillion BTU Proposal*, and
- Center for Energy and Environment's *One-Stop Efficiency Shop Proposal*.

The Energy Smart Proposal and the One-Stop Efficiency Shop Proposal are addressed in this document. Staff are continuing to evaluate the Trillion BTU Proposal and intend to deliver their Comments, Analysis, and Proposed Decision concerning the Trillion BTU Proposal within 30 days from the Commissioner's Decision on the Xcel Triennial Plan. All subsequent proceedings regarding the Trillion BTU Proposal will only be filed in docket 12-447.02.

On August 27, 2012, NICE/Enerchange filed an additional alternative CIP proposal for a program to be included in Xcel's 2013-2015 CIP. All proceedings regarding the NICE/Enerchange Proposal are filed in docket 09-131.

## **II. COMMISSIONER'S DECISION-MAKING APPROACH**

When making decisions regarding proposals for the CIP, alternative proposals and comments submitted by interested parties, the Commissioner considers a variety of factors including:

- Compliance with Minnesota Rules and Statutes;
- The Commissioner's authority to order additional spending;
- Compliance with previous *Decisions*;
- The ability of the CIP to deliver cost-effective energy savings;
- The Company's savings goals in light of previous performance, the Company's most recent integrated resource plan (IRP), and statutory goals;
- Flexibility in implementing the CIP;
- The ability of the CIP to deliver services to a broad spectrum of customers and a variety of end-uses; and
- Comments and reply comments from interested parties.

## **III. COMMISSIONER'S ANALYSIS**

### Minnesota Rules

Minnesota Rule 7690 contains the requirements and procedures for CIP plan filings. Xcel met all the requirements for completeness outlined by Minnesota Rules part 7690.0500.

Minnesota Rules part 7690.0500, subpart 1, requires natural gas utilities to file their biennial CIP plans on even-numbered years and electric utilities to file their biennial CIP plans on odd-numbered years. In his May 13, 2009 *Order* in docket 09-198, the Commissioner approved Xcel's request to file combined electric and natural gas CIP plans, and extended the approval to the annual status reports associated with the CIP plan. In the same order, the Commissioner also approved Xcel's request for a variance to Minnesota Rules part 7690.0500, subpart 1, to allow the Company to submit a triennial CIP plan on an ongoing basis.

### Minnesota Statutes

Minnesota Statutes §216B.241 and §216B.2411 contain provisions the Company must meet in its CIP, including the following:

- minimum annual energy savings goals (§216B.241, subd. 1c(b), (c), (d));
- minimum spending levels (§216B.241, subd. 1(a));
- inclusion of one or more programs designed specifically for low-income persons, with minimum annual spending requirements and additional criteria (§216B.241, subd. 7);
- a cap on research and development (R&D) spending equal to 10 percent of a utility's minimum spending requirement (§216B.241, subd. 2(c));
- investments in projects that encourage energy efficient lighting (§216B.241, subd. 5 (a));
- reclamation or recycling of spent fluorescent and high intensity discharge lamps (§216B.241, subd. 5 (b) and (c));
- an allowance for use of up to five percent of a utility's minimum spending requirement to construct distributed and renewable generation (DRG) projects (§216B.2411, subd. 1);
- inclusion of one or more programs that include ENERGY STAR labeling, LEED certification, or Green Globes certification of commercial buildings; and
- Inclusion of one or more programs that supports goals consistent with Sustainable Buildings 2030 (SB 2030) standards.

In addition to these statutory requirements, Staff discuss the authority under Minnesota Statutes of the Commissioner to order additional CIP spending.<sup>1</sup>

### Minimum Annual Savings Goals

Minnesota Statutes §216B.241, subd. 1c(b) establishes an annual savings goal of 1.5 percent of average retail sales for electric and natural gas utilities, calculated based on the most recent three-year weather normalized average retail sales less sales to CIP-exempt customers. Paragraph (c) effectively establishes 2012 as the year that the savings goal takes effect. Paragraph (d) allows the Commissioner to adjust the goal based on several factors including, historical conservation investment experience, customer class makeup, load growth, a conservation potential study, or other factors the Commissioner determines warrant an adjustment. However, the statute does not allow the Commissioner to approve a savings plan less than 1.0 percent. In

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<sup>1</sup> See Minnesota Statutes §216B.241, subd. 1a(c) and subd. 2(b). However, Staff also note Minnesota Statutes §216B.241, subd. 6(c) regarding Xcel electric.

accordance with Minnesota Rules part 7690.1200, 2009-2011 weather-normalized average retail energy sales are used to calculate electric and natural gas savings goals for the 2013-2015 triennial CIPs.

Minnesota Statutes §216B.241, subd. 1c(d) also specifies that electric utility infrastructure (EUI) and waste heat recovery to electricity generation projects (WHEG) may be applied towards the 1.5 percent savings goal as long as at least 1.0 percent savings are achieved through conservation improvements (i.e., demand-side projects). Legislation passed in the 2009 session also allows natural gas utilities to count energy savings from biomethane purchases in addition to the 1.0 percent minimum through demand-side projects.<sup>2</sup> Xcel does not propose any budgets or savings for EUI, WHEG or biomethane purchase projects in its CIP.

In its *Petition*, Xcel proposed electric savings goals are at 1.38 percent for each year of the triennial. However, Xcel included estimated savings from alternative CIP filings in order to reach a savings goal of 1.5 percent. Since spending and performance associated with alternative CIP programs are attributed toward the utility’s statutory requirements, Xcel’s electric CIP plan meets the statutory requirement.

In its *Petition*, Xcel’s proposes gas savings goals that fall below the 1.5 percent goal each year of the triennial, but are at the minimum 1.0 percent level. Due to the historically low cost of gas, it is challenging for many conservation programs to meet cost-effectiveness standards. Therefore, the Commissioner believes it is reasonable to adjust Xcel’s gas savings goals below the 1.5 percent standards to the 1.0 percent level.

**Table 1: Proposed Savings Goals as a Percentage of Retail Sales**

	Adjusted Total Electric Retail Sales (Mwh)*	Total Electric Savings (Mwh)**	Electric % of Retail Sales	Total Electric Savings (Mwh) w/Alt Progs	Electric % of Retail Sales w/Alt Progs	Adjusted Total Gas Retail Sales (Dth)*	Total Gas Savings	Gas % of Retail Sales
2013	28,987,234	400,845	1.38%	435,845	1.50%	69,458,419	696,415	1.0%
2014	28,987,234	400,713	1.38%	435,713	1.50%	69,458,419	691,908	1.0%
2015	28,987,234	400,415	1.38%	435,415	1.50%	69,458,419	696,474	1.0%

\*Adjusted total sales based on 2009-2011 weather-normalized average retail electric or gas energy sales, less sales to CIP-exempt customers, reported by the Company.

\*\*Total Electric savings do not include alternative CIP programs but do include renewable programs.

### Minimum Spending Requirements

Regarding the electric utility, because Xcel operates a nuclear plant in Minnesota, Minnesota Statutes §216B.241, subd. 1a(a)(3), requires the Company to spend a minimum of two percent of its Minnesota electric gross operating revenues (GOR) on CIP, less revenues from large electric customer facilities exempted by the Commissioner under subd. 1a(b). Minnesota Rules part 7690.1200, subpart 1A(1) requires use of 2011 revenues for calculating the minimum spending requirement for the 2013-2015 electric CIP.

<sup>2</sup> See Minnesota Session Laws 2009, Chapter 110, subd. 5b.

Regarding the natural gas utility, Minnesota Statutes §216B.241, subd. 1a(a)(1), requires each Minnesota gas utility to spend a minimum of 0.5 percent of its Minnesota GOR on CIP, less revenues from large electric customer facilities exempted by the Commissioner under subd. 1a(b). Minnesota Rules part 7690.1200, subpart 1A(2) requires use of 2011 revenues for calculating the minimum spending requirement for the 2013-2015 gas CIP.

Tables 2 and 3 below compare Xcel’s proposed electric and gas annual budgets for 2013, 2014, and 2015 with the statutory minimum spending requirements for the Company’s electric and gas utilities. Xcel’s proposed annual electric and gas budgets exceed the statutory minimum spending requirements.

**Table 2: Minimum Spending Requirements**

	2011 Retail GOR*	Adjusted Total GOR**	% of GOR required	Min Spend Requirement
Electric	\$2,774,294,818	\$2,636,308,672	2%	\$52,726,173
Gas	\$540,085,543	\$526,755,700	0.50%	\$2,633,779

\*Revenues for 2011 are as reported by the Company on its annual jurisdictional report available in docket no. 12-04.

\*\*Adjusted revenues are as reported by the Company.

**Table 3: Proposed Budgets Compared to Minimum Spending Requirements**

	Electric Spending Min	Electric Proposed Budget	Gas Spending Min	Gas Proposed Budget
2013	\$52,726,173	\$72,882,472	\$2,633,779	\$12,885,428
2014	\$52,726,173	\$72,096,740	\$2,633,779	\$13,575,243
2015	\$52,726,173	\$75,077,290	\$2,633,779	\$13,553,823

Low-Income Programs

Minnesota Statutes Section 216B.241, subd. 7 requires the Commissioner to ensure that each utility provides low-income projects. When approving the spending and savings goals for these projects, the Commissioner must consider historic spending and participation levels, energy savings for low-income projects, and the number of low-income persons residing in the utility’s service territory. At a minimum, the statute requires electric and gas utilities to spend 0.2 percent of GOR from Minnesota residential customers beginning in 2010<sup>3</sup>. In accordance with Minn. Rules, pt. 7690.1200, 2011 revenues are to be used for calculating 2013-2015 minimum low-income spending levels. Xcel’s proposed electric and gas low-income spending exceeds minimum requirements.

<sup>3</sup> The Company incorrectly states on page 20 of its *Petition* that the low-income spending requirement for electric utilities is 0.1 percent of residential GOR, when in fact the statute specifies that the electric requirement increases to 0.2 percent of residential GOR in 2010.

**Table 4: Minimum Low-Income Spending Requirements<sup>4</sup>**

	2011 Residential GOR	% of Residential GOR required	Min Spend Requirement
Electric	\$1,005,138,696	0.20%	\$2,010,277
Gas	\$302,734,626	0.20%	\$605,469

**Table 5: Proposed Low-Income Spending Compared to Minimum Spending Requirements**

	Electric Spending Min	Electric Proposed Spending	Difference (Electric)	Gas Spending Min	Gas Proposed Spending	Difference (Gas)
2013	\$2,010,277	\$2,321,035	\$310,758	\$605,469	\$1,656,980	\$1,051,511
2014	\$2,010,277	\$2,568,863	\$558,586	\$605,469	\$1,656,181	\$1,050,712
2015	\$2,010,277	\$2,520,587	\$510,310	\$605,469	\$1,636,221	\$1,030,752

### Efficient Lighting Promotion and Lamp Recycling

Minnesota Statutes Section 216B.241, subd. 5, states that the Company must include, as part of its CIP, a project to “strongly encourage the use of fluorescent and high-intensity discharge lamps.” Under the Company's CIP, this requirement is met by the following projects:

- Business segment—Lighting Efficiency and Center for Energy and Environment (CEE) One-Stop projects;
- Residential segment—Home Lighting, Home Performance with ENERGY STAR, Home Energy Squad, and School Education Kits and Consumer Education projects; and
- Low-income segment –Home Electric Savings projects.

Minnesota Statutes Section 216B.241, subd. 5(b) and (c), also states the following:

(b) A public utility that provides electric service at retail to 200,000 or more customers shall establish, either directly or through contracts with other persons ... a system to collect for delivery to a reclamation or recycling facility spent fluorescent and high-intensity discharge lamps from households and from small businesses ... that generate an average of fewer than ten spent lamps per year.

(c) A collection system must include establishing reasonably convenient locations for collecting spent lamps from households and financial incentives sufficient to encourage spent lamp generators to take the lamps to the collection locations.

<sup>4</sup> Revenues are as reported by the Company.

According to Xcel’s 2011 electric jurisdictional annual report, Xcel had 1,093,606 residential electric customers in 2011.<sup>5</sup> Therefore, paragraph (b) above applies to Xcel electric. The *Petition* indicates that this requirement is met through the Lamp Recycling projects in the Business and Residential segments.

Under the Lamp Recycling projects, Xcel offers two ways to assist its small business and residential customers with their management of spent fluorescent lamps. First, Xcel offers coupons to customers. Each coupon provides the customer \$0.50 off the cost of lamp recycling and is redeemable at participating hardware stores. Also, Xcel customers may take their bulbs to participating county recycling centers. Therefore, Xcel has complied with both the energy efficient lighting promotion and lamp recycling portion of Minnesota statutes.

R&D Spending Cap

Minnesota Statutes Section 216B.241, subd. 2(c), requires that no more than ten percent of a utility's minimum spending requirement may be spent annually on R&D projects. For the electric CIP, ten percent of the minimum spending requirement is equal to \$5,272,617 annually. For the gas CIP, this amount is equal to \$263,378.

Xcel’s proposed R&D spending is summarized in its *Petition* under the Research, Evaluations, and Pilot segment description. As seen in Table below, the Company’s proposed electric and gas R&D spending is compliant with the statutory cap.

**Table 6: Proposed R&D Spending**

	Minimum CIP Spending	% Cap of Minimum Spending	Annual Max R&D Spending	Proposed R&D Budgets		
				2013	2014	2015
Electric	\$52,726,173	10%	\$5,272,617	\$807,000	\$807,000	\$807,000
Gas	\$2,633,779	10%	\$263,378	\$227,972	\$227,972	\$227,972

Distributed and Renewable Generation Provisions

Minnesota Statutes Section 216B.2411, subd. 1, allows, a utility to use up to five percent of the minimum conservation spending requirement on qualified distributed and renewable generation (DG) resources. A utility may also request authority to exceed the five percent limit but not to exceed ten percent of its minimum conservation spending requirement.

Xcel proposes one DG project, the Solar\*Rewards project. This project falls under Xcel’s electric CIP since it includes solar photovoltaic technology only. Xcel’s proposed annual spending in the Solar\*Rewards project is just under the five percent spending cap. Xcel proposes no gas DG spending in its CIP.

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<sup>5</sup> See page E-29 in Xcel’s 2011 electric jurisdictional annual report, submitted under Docket No. 12-4.

**Table 7: Proposed Electric DRG Spending**

Min Elc CIP Spending	% Cap of Minimum Spending	Max Annual R&D Spending	Proposed R&D Budgets		
			2013	2014	2015
\$52,726,173	5%	\$2,636,309	\$2,500,000	\$0	\$0
\$52,726,173	10%	\$5,272,617			

Sustainable Buildings Certification

Minnesota Statutes Section 216B.241, subd. 1f(c) requires that utilities include in their CIP projects that facilitate professional engineering verification to qualify a building as ENERGY STAR labeled, Leadership in Energy and Environmental Design (LEED) certified, or Green Globes certified.

The Energy Design Assistance offering under New Business Construction project facilitates sustainable buildings certification. The Turn Key Services project facilitates ENERGY STAR benchmarking, and thus possible ENERGY STAR labeling. Therefore, Xcel has complied with the sustainable buildings certification provision of Minnesota Statutes.

Sustainable Buildings 2030 Standards

Minnesota Statutes Section 216B.241, subd. 9(e) requires that utilities develop conservation improvement projects to support goals consistent with Sustainable Buildings 2030 (SB 2030) standards. These projects must include offerings of design assistance and modeling, financial incentives, and the verification of the proper installation of energy-efficient design components in new and substantially reconstructed buildings. Xcel has complied with the 2030 Standards provision of Minnesota Statutes through the Energy Design Assistance offering under New Business Construction project.

Commissioner's Authority to Order Additional Spending

There are several statutes which govern the Commissioner’s authority to order additional spending.

First, Minnesota Statutes Section 216B.241, subd. 2(a), states:

The commissioner may require public utilities to make investments and expenditures in energy conservation improvements, explicitly setting forth the interest rates, prices and terms under which the improvements must be offered to the customers.

Second, Minnesota Statutes Section 216B.241, subd. 2(b) states:

The commissioner may require a utility to make an energy conservation improvement investment or expenditure whenever the commissioner finds that the improvement will result in energy savings at a total cost to the utility less than the cost to the utility to produce or purchase an equivalent amount of new supply of energy.



Finally, Minnesota Statutes Section 216B.241, subd. 1a(c), states:

The commissioner may require investments or spending greater than the amounts required under this subdivision for a public utility whose most recent advance forecast required under section 216B.2422 or 216C.17 projects a peak demand deficit of 100 megawatts or greater within five years under midrange forecast assumptions.

As explained in the Company's initial filing of its most recent Integrated Resource Plan (IRP) in docket number E002/RP-10-825, the Company originally forecasted a peak demand deficit of greater than 100 megawatts within five years. The Company later filed an updated IRP forecasting no peak demand deficit until 2018, six years after the beginning of this CIP triennial period. However, the Department has disputed some of the Company's input analysis and the Minnesota Public Utility Commission (Commission) has not accepted the updated IRP at this time. Depending on the Commission's forthcoming decision on Xcel's IRP, the Commissioner does have authority to order additional electric CIP spending by Xcel.

For the gas CIP, as stated above, the Commissioner has authority to require additional investments in Xcel's proposed natural gas CIP spending above the statutory minimum if the new investment will result in energy savings at a total cost to the utility less than the cost to produce or purchase an equivalent amount of new supply of energy.

#### **IV. PREVIOUS COMMISSIONER DECISIONS**

The Commissioner reviewed previous Commissioner's *Decisions* in Xcel's most recent CIP (Docket No. E,G002/CIP-08-198, et al). Based on the Commissioner's review, the Commissioner concludes that Xcel complied with requirements relevant to the present *Petition*.

#### **V. COST-EFFECTIVENESS**

Minnesota Rules 7690.0500 Sub. 2 (E) requires that utilities report the expected cost-effectiveness of each proposed CIP project from the Societal, Utility Cost, Ratepayer Impact Measure, and Participant perspectives. The Department requires the use of the BENCOST model (BENCOST) by gas utilities to evaluate the cost-effectiveness of CIP projects.<sup>6</sup>

Prior to each Triennial period, the Commissioner and Department Staff evaluate and determine certain fixed inputs to the BENCOST model that are to be used by all gas utilities. These inputs include gas commodity cost, an environmental damage factor and various discount and escalation rates. For the 2013-2015 triennial period, Department Staff led a collaborative process with utilities and other stakeholders to determine the gas commodity cost and escalation rate for the 2013-2015 triennial. The intent was to evaluate methods for setting these inputs that will lead to values that are more closely aligned to actual prices than past BENCOST inputs have been. There were two key outcomes to this process:

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<sup>6</sup> See the January 26, 2006 *Order* in Docket No. E,G001/CIP-03-860.02.

- Parties agreed that the commodity cost was to be based on an average of several different projections for the triennial period by recognized sources instead of a single average Henry Hub price projected for the year prior to the triennium, as in past practice.
- Parties agreed that the commodity cost escalation rate should be based on an average of several different projections by recognized sources instead of a single estimate by Global Insights, as was past practice.

The final BENCOST inputs are specified and described in the attached letter that was distributed to all Minnesota gas investor-owned utilities in April 2012.

As part of this stakeholder process, parties also discussed the impact of the current low cost of natural gas on their gas CIP portfolios. By analyzing their draft 2013-2015 plans using the new BENCOST inputs, parties recognized that some residential and low-income projects would likely not pass the Societal test, the Department's traditional screening test for approval of CIP projects. (Due to their unique purpose and the spending requirement for low-income projects, the Commissioner has not required low-income programs to pass the Societal Test in previous triennials.)

After discussing the issue at length, parties generally agreed gas prices were more likely to increase than decrease in the medium to long term as current low gas prices and other factors induce greater demand and marginal production costs rise. Furthermore, the consequences of cancelling a proposed project because it does not pass the Societal Test now are more severe than if the project is allowed to continue. Building an effective conservation program requires significant upfront costs and time investment to educate and promote the program among trade allies and customers. Starting and stopping a program in a relatively short time period also does not create support among trade allies who effectively function as a utility's conservation sales force. Furthermore, the lifetime of many gas conservation measures such as furnaces, boilers and insulation is generally 20 years or more, so customers that install low efficiency equipment now could be exposed to higher utility bills in the near future as gas prices rise.

For these reasons, parties generally agreed that projects that exist in the current triennial period (2010-2012) should be allowed to continue in the next triennial (2013-2015) so long as the overall segment (i.e., residential or commercial/industrial) passes the Societal Test. In addition, parties agreed that any new project must pass the Societal Test on its own in order to be approved. Finally, parties agreed that this issue would be reevaluated prior to the filing of the next triennial plans, and that cost-effectiveness standards may have to be applied more strictly such that certain CIP projects may have to be cancelled if gas prices are projected to remain low at that time.

For its electric CIP, Xcel uses the DSMore model. Cost-effectiveness of energy conservation investments are measured from the Utility, Societal, Ratepayer, and other perspectives.

Independent of the utilities' estimates, the Commissioner reviews the reasonableness of information related to energy savings, including direct participant costs, product lifetimes, average energy savings, and average consumption. This independent assessment helps ensure reasonableness and consistency.

Electric utility avoided costs can vary significantly between utilities. Consequently, these costs are not provided by the Department and are estimated separately by each utility. This information was provided by Xcel in response to the Department’s Information Requests No. 1-3. Based on the Commissioner’s review, the Commissioner approves the Company’s estimates for use in Xcel’s 2013-2015 electric CIP.

Xcel’s cost-effectiveness analysis of the electric and gas segments is below. Note that the data excludes alternative CIP filings.

**Table 8: Benefit/Cost Ratios for Xcel’s Electric CIP**

Segment	Societal			Participant			Ratepayer			Utility		
	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015
Business	1.9	1.97	2.01	3.28	3.37	3.38	0.7	0.71	0.72	4.41	4.54	4.58
Residential	1.89	1.85	1.8	5.24	4.94	4.71	0.53	0.54	0.56	3.23	3.18	3.06
Low-Income	0.77	0.75	0.75	4.06	3.8	3.75	0.29	0.29	0.29	0.63	0.61	0.61
Renewable	0.45			0.57			0.52			1.02		

**Table 9: Benefit/Cost Ratios for Xcel’s Gas CIP**

Segment	Societal	Participant	Ratepayer	Utility
	2013-2015	2013-2015	2013-2015	2013-2015
Business	2.43	3.1	0.68	5.13
Residential	1.92	4.48	0.53	2.03
Low-Income	1.51	4.69	0.38	0.84

For the electric CIP, with the exception of the Low-Income and Renewable Energy segments, Xcel’s proposed segments are cost-effective from the Participant, Utility, and Societal perspectives. The Renewable Energy Segment is cost-effective from a Utility perspective. Due to their unique purpose and the spending requirement for low-income programs, the Commissioner has not required low-income projects to pass the Societal Test in previous triennials. The Commissioner requests that Xcel continue to work toward improving the cost-effectiveness of the Low-Income segment. Regarding the Renewable segment, Minnesota Statutes §216B.241, subd. 5a allows the Commissioner to determine the cost-effectiveness of qualifying solar energy projects by a different standard than for other conservation improvements if the Commissioner determines it is in the public interest to do so. Thus, the Commissioner may approve Xcel’s Renewable Energy segment even though it does not pass the societal benefit/cost test used under CIP. As discussed below, the Commissioner believes there are additional benefits to the program that are not reflected in the cost-effectiveness tests.

For the gas CIP, the Company’s Business and Residential segments are cost-effective under all perspectives except ratepayer impact test. The Low-Income segment is also not cost-effective under the utility test.

Xcel’s total electric and gas CIPs provide cost-effective energy and demand savings under all tests except the ratepayer impact test. (Conservation programs typically do not pass the Ratepayer Test.) Note that these figures exclude the alternative CIP filings.

**Table 10: Benefit/Cost Ratios for Xcel's Total CIP**

	<b>Societal</b>	<b>Participant</b>	<b>Ratepayer</b>	<b>Utility</b>
<b>Electric CIP</b>				
2013	1.81	3.67	0.63	3.56
2014	1.85	3.68	0.65	3.65
2015	1.86	3.65	0.66	3.63
<b>Gas CIP</b>				
2013-2015	2.06	3.52	0.59	2.7

## VI. ELECTRIC AND NATURAL GAS SAVINGS GOALS

The Commissioner reviewed Xcel's proposed electric and gas energy savings goals, both from an overall perspective and from a more detailed review of the segments that make up these goals. It is important to consider both of these analyses to see the full picture regarding Xcel's proposed goals.

Setting energy and demand savings goals requires both quantitative and qualitative analysis. In the past, the Commissioner and Staff have attempted to ensure that electric utilities, at a minimum, achieve a level of savings that enables the utility to meet its IRP goals. However, with the passage of the Next Generation Energy Act of 2007, CIP savings goals must also comply with energy savings goals specified in statute, as adjusted by the Commissioner.

Ensuring that ratepayers receive the most energy and demand savings for their money is another aspect of evaluating Xcel's proposed budgets and goals. Consequently, we also evaluate how the proposed savings goals compare to actual 2007-2011 savings. This analysis is presented below.

### Goals Relative to IRP Goals and Gas Potential Study

The IRP process and status of the current IRP is described above. Xcel's update to its most recent IRP was filed in December 2011 and covers years 2011 through 2025.<sup>7</sup> The Department is currently proposing that Xcel's IRP include DSM savings levels of 390 GWh annually. For its 2013-2015 electric CIP, Xcel proposed energy savings goals including alternative CIP programs is approximately 435 GWh annually. These goals exceed the Department's recommendation for Xcel's IRP DSM goals and meet the statutory CIP goal of 1.5 percent.

Xcel stated that it reviewed national DSM programs, best practice reports, and potential studies, and solicited feedback from stakeholders and trade allies in the course of designing its CIP plan. In 2009, a Gas Potential Study was completed that included utility-specific estimates of conservation potential for Xcel, CenterPoint, and MERC in their Minnesota service territories under five scenarios. In its previous CIP triennial filing (Docket no. 09-198), Xcel provided a table of estimated annual achievable potential energy savings based on the findings of the potential study. The estimated annual achievable potential energy savings for Scenario 2 of the Gas Potential Study are included below. Scenario 2 refers to a CIP portfolio characterized by higher incentives (increasing incentives to between 50 and 75 percent of incremental cost, compared to 25 percent on average currently), new programs, and expanded existing programs.

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<sup>7</sup> See Docket No. E002/RP-10-825.

While the estimates of the cost of gas are different than those used in the Gas Potential Study and other market conditions may have changed, the Commissioner and Department Staff used the Gas Potential Study as a tool for comparison and monitoring of the Company’s overall performance in achieving natural gas CIP goals. In light of challenges due to the effect of historically low gas prices on achieving cost-effectiveness standards and consumers’ decision-making to invest in high efficiency equipment, the Commissioner finds that the Company’s proposed energy savings goals are reasonable.

**Table 11: Xcel Gas Goals Compared to Estimated Potential**

Year	Adjusted Total Gas Retail Sales (Dth)	Scenario 2 Potential (Dth)	Proposed Energy Savings (Dth)	Actual Energy Savings (Dth)	% of Retail Energy Sales
2010	70,669,724	485,775	789,925	697,322	0.99%
2011	70,669,724	558,352	814,472	747,123	1.06%
2012	70,669,724	698,861	857,086		1.21%
2013	69,485,419	796,289	696,415		1.00%
2014	69,485,419	754,276	691,908		1.00%
2015	69,485,419	847,360	696,474		1.00%
2016		932,873			
2017		942,289			
2018		930,911			
2019		930,273			

Note: Energy savings for 2011 are as reported by the Company in its 2011 CIP Status Report (docket no. 09-198.05). These results have not been thoroughly reviewed by staff and have not been approved by the Commissioner.

### Comparing Proposed Goals to Past Achievement

In order to illustrate the higher spending that may be necessary to achieve the goals of the Next Generation Energy Act of 2007, the Commissioner compared Xcel’s recent achievements, adjusted for inflation to 2011 dollars, to its proposed costs. Xcel’s proposed electric cost per kWh saved remains relatively constant, fluctuating by \$0.04 at the most. Greater cost increases are present in Xcel’s gas CIP, with the cost per Dth increasing by nearly 50 percent in 2014 compared to 2007-2010 average achievements.

**Table 12: Xcel's Recent and Proposed Cost per kWh Saved**

Year	Spending	Infl-adj Spending*	Savings (kWh)	Infl-adj \$/kWh
2007	\$47,382,618	\$51,288,470	259,207,812	\$0.20
2008	\$50,707,870	\$53,811,597	331,024,729	\$0.16
2009	\$57,885,077	\$60,223,634	342,863,043	\$0.18
2010	\$56,120,885	\$57,243,303	362,426,592	\$0.16
2011	\$65,586,474	\$65,586,474	421,553,338	\$0.16
			<b>weighted-average</b>	<b>\$0.17</b>
2012	\$69,234,911	\$67,877,364	354,652,872	\$0.19
2013	\$72,882,472	\$70,052,357	400,844,594	\$0.17
2014	\$72,096,740	\$67,938,368	400,712,665	\$0.17
2015	\$75,077,290	\$69,359,811	400,414,935	\$0.17

\*Rate of inflation is 2 percent.

Note: Energy savings for 2011 are as reported by the Company in its 2011 CIP Status Report (docket no. 09-198.05). These results have not been thoroughly reviewed by Staff and have not been approved by the commissioner

**Table 13: Xcel's Recent and Proposed Cost per Dth Saved**

Year	Spending	Infl-adj Spending*	Savings (Dth)	Infl-adj \$/Dth
2007	\$4,974,228	\$5,384,264	888,460	\$6.1
2008	\$6,423,486	\$6,816,655	613,134	\$11.1
2009	\$7,682,999	\$7,993,392	670,120	\$11.9
2010	\$10,682,494	\$10,896,144	697,322	\$15.6
2011	\$12,220,249	\$12,220,249	747,123	\$16.4
			<b>weighted-average</b>	<b>\$12.0</b>
2012	\$15,365,683	\$15,064,395	857,086	\$17.6
2013	\$12,885,428	\$12,385,071	696,415	\$17.8
2014	\$13,575,243	\$12,792,255	691,908	\$18.5
2015	\$13,553,823	\$12,521,637	696,474	\$18.0

\*Rate of inflation is 2 percent.

Note: Energy savings for 2011 are as reported by the Company in its 2011 CIP Status Report (docket no. 09-198.05). These results have not been thoroughly reviewed by Staff and have not been approved by the commissioner

Both the electric and gas savings levels planned by Xcel are comparable to past achievements since the enactment of the Next Generation Energy Act of 2007. The Commissioner finds the proposed level of spending reasonable to achieve the proposed levels of savings.

## VII. CIP FLEXIBILITY

### Flexibility Criteria

In the past, the Commissioner has granted flexibility to utilities by allowing a utility to exceed its approved budget for certain projects or segments without requiring formal approval. This flexibility has enhanced the efficiency of the CIP process because the utility is not required to submit modification requests for minor changes to its program.

All of the direct impact segments – except the Low-Income segment and the Renewable Energy segment (i.e., Solar\*Rewards project) in Xcel’s electric CIP – are projected to be cost-effective under the Societal test and all direct impact segments in Xcel’s gas CIP are projected to be cost-effective under the Societal test. Xcel’s Planning segment and Research, Evaluations & Pilots segment fund a variety of market sector, program-level and portfolio-level analysis, verification, evaluation, and program development. These activities support the Company’s ongoing CIP portfolio but are not directly associated with energy savings.

The Commissioner grants Xcel the flexibility to exceed its annual budget, savings, and participation goals for direct impact segments projected to be cost-effective (Business and Residential segments in its electric CIP and the Business, Residential, and Low-Income segments in its gas CIP) so long as the additional spending does not result in the segment becoming non-cost effective from the societal perspective. However, any changes to Xcel’s CIP that result in any of the above segments becoming non-cost-effective from the societal perspective may be subject to disallowance in the status report dockets absent specific approval by the Commissioner.

Consistent with Staff’s recommendation in the *Proposed Decision*, the Commissioner will continue to require that Xcel file a letter with the Department requesting to exceed any segment budget by more than 25 percent for the direct impact segments projected to be cost-effective from the Societal perspective. The letter must provide an explanation for the increase, an indication of the total magnitude of the additional spending, and the impact on energy savings and cost-effectiveness as a result of the additional spending. Any additional spending at or above 25 percent of approved budgets will not be allowed until the Commissioner has provided formal approval to the utility that this spending is reasonably justifiable.

The Commissioner grants a flexibility margin for Xcel’s indirect impact segments of up to 25 percent. Any increase in the budgets for these programs beyond 25 percent would need a formal plan modification.

The Commissioner believes this budget flexibility policy will allow utilities the flexibility to serve higher than expected participation in a project or segment while providing a check against non cost-effective spending. A summary of the flexibility granted for each segment is provided below. The Electric Utility Infrastructure segment and the Assessment segment require no flexibility since spending is set according to legislative or regulatory mandates.

**Table 14: Summary of Budget Flexibility by Segment**

<b>Segment</b>	<b>Electric CIP</b>	<b>Gas CIP</b>
Business	25%, ltr req above 25%	25%, ltr req above 25%
Residential	25%, ltr req above 25%	25%, ltr req above 25%
Low-Income	no flexibility	25%, ltr req above 25%
Renewable Energy	no flexibility	N/A
Planning	25% flexibility	25% flexibility
Research, Evaluations & Pilots	25% flexibility	25% flexibility

### Modification Filing Requirements

The Commissioner finds that it is reasonable to allow the Company to make some program modifications without prior approval in order to enable a utility to respond to opportunities. In general, for example, customer rebate levels can be changed, end use minimum qualifying efficiency levels can be increased, and participant qualifications can be altered without prior approval, as long as the project remains cost-effective from the societal perspective unless otherwise specifically approved.

The Commissioner grants Xcel flexibility in the size of its customer rebates; however, utilities should not be allowed to change an incentive to take a customer away from a competitor. A utility may be allowed to have a “sale price” that would apply to each customer in a class or for a technology, but a utility should not be allowed to increase an incentive as a marketing tool to encourage a customer to take the utility’s service over that of a competitor.<sup>8</sup> CIP funds are intended to achieve energy efficiency, not to allow energy providers to compete against each other, other fuel sources, or other technologies for a customer’s application or business. Additionally, unless otherwise specifically approved, an incentive should never exceed the incremental cost of the efficiency improvement.

The Commissioner requires Xcel to file a CIP modification request, pursuant to Minnesota Rules part 7690.1400, in the following instances:

- proposing a new project;
- discontinuing an existing project;
- reducing the minimum qualifying efficiency level of a conservation measure or technology;
- decreasing project budgets and savings and participation goals; and
- increasing the Research, Evaluations and Pilot segment or the Planning segment annual budgets by more than 25 percent.

The Commissioner requires Xcel to submit modification updates annually in its status reports to keep the Department and all other interested parties informed of any modifications to its CIP, including those modifications not requiring specific approval.

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<sup>8</sup> Minnesota Statutes §§216B.162 and 216B.163 established authority for electric and gas utilities, respectively, to charge lower rates in competitive situations.



Furthermore, the Commissioner approves an informal modification process for Xcel with this new triennial. This process provides a means for Staff to review and approve new measures for inclusion in Xcel's existing projects, or changes to existing measures, without requiring a formal modification request by the Company. The process also requires that the Company submit courtesy notifications apprising Staff of changes to project structure, rebate structures, or project policies. This basic approach was implemented in agreement with Xcel in October 2011 and the Commissioner believes that this process should continue.

The current requirements for the informal modification process are as follows:

- Xcel must submit an informal modification request to Staff for approval of new energy conservation measures to be implemented in a prescriptive or custom-prescriptive manner in an existing project.
- Xcel must submit an informal modification request to Staff for approval of any change to an existing energy conservation measure that would impact savings or cost-effectiveness. Examples include changes to incremental costs, savings, lifetime, and baseline efficiency assumptions.
- Staff have 30 days to review the proposed changes, and may request additional time as needed.
- Xcel shall provide courtesy notifications to apprise Staff of changes to project structure, rebate structures, or project policies (for example, customer eligibility requirements).

## **VIII. COMMENTS AND REPLY COMMENTS BY INTERESTED PARTIES**

The Commissioner considers comments and reply comments from outside parties when approving CIP plans. The Department received comments regarding Xcel's conservation programming from the Izaak Walton League of America, Fresh Energy, Sierra Club, and Minnesota Center for Environmental Advocacy (Environmental Organizations) and the Minnesota Housing Finance Agency, et. al. (MHFA) regarding Xcel's CIP filing. MHFA's comments are addressed below.

The Environmental Organizations made several comments about the broad context of conservation programming such as opportunities to review Xcel electric potential study, expanding Xcel's revenue by entering DSM resources into the MISO and PJM markets for wholesale electricity, evaluation of non-energy avoided costs within avoided cost assumptions and low-income CIP programming. The Department welcomes ongoing conversations between the Department, utilities, and stakeholders on these broader issues of how to achieve and exceed CIP energy savings goals. Pertaining specifically to Xcel's *Petition*, the Environmental Organizations recommend that Xcel increase its annual electric energy savings goal beyond the minimum 1.5 percent goal to two percent. According to some of the comments, Xcel's *Petition* does meet the statutory CIP requirements, and should the outcome of Xcel's IRP process indicate that the utility is forecasted to have a peak demand deficit of 100 megawatts or greater within five years, the Commissioner could exercise authority to require additional electric CIP spending.

Comments on the Solar\*Rewards program were filed by Aaron Wood, Bill Richmond, City Of Minneapolis, City Of Saint Paul, CR Planning, Inc., Daniel Williams, Elizabeth Oppenheimer, Environment Minnesota, Gary Waryan, Heidi Joos, IBEW Local 294, Iron Range Resources, Jan & Joe Hubbard, MN Solar Energy Industries Association, Mnseia, Mouli Vaidyanathan, Newport Partners, LLC, Peak Power Minnesota, LLC, Philip Miller, Rebecca Lundberg, Silicon Energy, Solar Rewards Program, Sundial Solar, Sustology, TenKsolar, Thomas P. Reinke, Tom E Jandric, Wayne L. Laforge, Westwood Professional Services, Inc., a group of multiple citizens identified as Interested Citizens/Ratepayers, and Environmental Organizations.

Comments on the Energy Smart proposal were received from Xcel, Wyoming Machine, East Side Neighborhood Development Company, Inc, and PM Bedroom Gallery. Comments on the One-Stop proposal were received by Xcel.

## **IX. SEGMENT AND PROGRAM REVIEW**

In its *Petition*, Xcel proposes that the following segments be included in the Company's 2013-2015 electric and gas CIPs:

- Business
- Residential
- Low-Income
- Planning
- Research, Evaluations and Pilots
- Renewable Energy for the electric CIP (Solar\*Rewards)
- Assessments (required by statute)
- Electric Utility Infrastructure (no budget or savings proposed)

A description of each segment and the programs contained within each segment is included in the Company's *Petition*. Further description and analysis of certain segments and programs can be found in Staff's *Proposed Decision*. Please refer to these documents for detailed information. Unless specifically discussed below, these segments are approved as proposed by Xcel. In their *Proposed Decision*, Staff made several recommendations that the Company addressed in its *Reply Comments*. Each of these recommendations is discussed below.

### **BUSINESS SEGMENT**

#### Xcel's Reply Comments

Staff requested that the Company discuss in its reply comments program design considerations for the Company's Data Center Efficiency program, programs that offer variable frequency drives as a measure, Cooling Efficiency program, and Multifamily program. The Commissioner appreciates the Company's response and looks forward to Xcel's continued work on these programs with the Department and broader stakeholders.

## Commercial Food Service Equipment

Xcel proposes to continue using the current Technical Reference Manual<sup>9</sup> (TRM) measure specifications for commercial food service equipment. The State's current third-party reviewer of the TRM has informed Staff that it will recommend updating the food service specifications in such a way that will result in lower deemed savings for most food service equipment. The contractor has presented the draft measure specifications to the project's utility advisory board for its feedback. Depending on whether Staff decide to adopt these new specifications in the TRM, Staff may recommend that the Company be required to file a modification request following approval of its CIP plan with the Company's proposed assumptions. Xcel acknowledged this process and requested that there be an opportunity for the Company to discuss and provide feedback on those changes prior to receiving an order to adopt those specifications. The Commissioner acknowledges this request and finds that Xcel will have an opportunity to provide feedback as a member of the utility advisory board.

## **RESIDENTIAL SEGMENT**

### School Education Kits

The Commissioner appreciates Xcel's clarification about this program provided in its Reply Comments. The Commissioner notes the omission of the assumed non-installation rate. Additionally, the Commissioner finds the Company's request to count participation in the program based on all students that receive the kits and curriculum and not all students that install the measures acceptable. The Commissioner approves the program as filed.

### Tankless Water Heaters

In prior triennial filings, Staff expressed concern that gas tankless water heaters could affect a utility's peak day requirement and require additional utility infrastructure compared to storage tank water heaters to serve the relatively high gas throughput rates required by tankless units.<sup>10</sup> To the Commissioner's knowledge, these concerns have largely not materialized. However, as tankless units become more prevalent, the Commissioner believes that it is reasonable to require Xcel to report any adverse impacts of tankless water heaters on gas distribution systems identified through the Company's ongoing gas distribution system monitoring activities in its annual status reports. Xcel discussed the practicality of meeting this request in its Reply Comments and agreed to provide annual updates on this issue throughout the 2013-2015 triennial.

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<sup>9</sup> The Technical Reference Manual (formerly referred to as the Minnesota Deemed Savings Database) was developed by Nexant, Inc. with a grant from the Minnesota Department of Commerce, Division of Energy Resources with the intent to standardize the assumptions and methodologies used by Minnesota utilities in their CIPs. The database is available on the Department website.

<sup>10</sup> See Staff's *Proposed Decision* regarding Xcel Energy's 2007-2009 CIP Triennial issued October 13, 2006 in Docket No. E,G002/CIP-06-80.

## RENEWABLE ENERGY SEGMENT

### SOLAR\*REWARDS

#### Background

In 2009, Xcel Energy's Solar\*Rewards program was approved by the Department as part of its 2010-2012 CIP Triennial Plan. The program was approved under Minn. Stat. § 216B.241, Subdivision 5 (a) allowing utilities to count savings from qualifying solar energy projects toward the 1.5% energy savings goal, above the 1% minimum threshold. Solar\*Rewards was also approved under Minn. Stat. § 216B.2411, Subdivision 1 allowing utilities to spend up to five percent of the utility's minimum spending requirement on distributed generation (DG) projects, or up to 10 percent on qualifying solar projects with the Commissioner's permission. In the Director of the Office of Energy Security's November 23, 2009 *Decision* approving Xcel's 2010-2012 CIP Plan, the Solar\*Rewards budget was approved at \$5,003,198 per year from 2010-2012, which equaled approximately 10 percent of the Company's annual minimum spending requirement.

The goal of the program, according to Xcel's approved 2010-2012 CIP Triennial Plan, was to increase installation of solar photovoltaic (PV) systems within its service territory, help customers capture energy savings through PV systems, and provide information that leads to an understanding of the immediate and long-term value of purchasing renewable energy equipment.<sup>11</sup>

Below is a summary table of the 2010-2012 approved budgets and goals for the Solar\*Rewards program.<sup>12</sup>

**Table 15: 2010-2012 Triennial Figures**

<b>Proposed Figures (Annual)</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Budget	\$ 5,003,198	\$ 5,003,198	\$ 5,003,198
Incentives to Participants	\$ 4,598,376	\$ 4,598,376	\$ 4,598,376
Incentive/watt	\$ 2.25	\$ 2.25	\$ 2.25
Participants	414	414	414
kWh Savings (@ Generator)	2,791,427	2,791,427	2,791,427
kW Savings (@ Generator)	1,062	1,062	1,062

In compliance with Minnesota Rules Chapter 7690.0550, Xcel Energy filed status reports for the 2010 and 2011 program years which included performance metrics for Solar\*Rewards. As with other CIP programs, the program funding is provided by ratepayers and includes funding for customer incentives. Below is a summary table of Xcel's program achievements, which does not include additional financial performance incentives paid to Xcel based on the savings achieved.<sup>13</sup>

<sup>11</sup> Xcel Energy 2010/2011/2012 Triennial Plan, Docket No. E,G002/CIP-09-198, Pg. 212.

<sup>12</sup> Xcel Energy 2010/2011/2012 Triennial Plan, Docket No. E,G002/CIP-09-198, Pg. 211 and 446.

<sup>13</sup> Xcel Energy 2011 Status Report, Docket No. E,G002/CIP-09-198, Pg. 72 and 295.

**Table 16: 2010-2011 Program Performance**

<b>Actual Program Performance (Annual)</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Budget Spent	\$ 2,618,197	\$3,653,549	N/A
Incentives Paid to Participants	\$ 2,292,413	\$3,388,653	N/A
Participants	166	140	N/A
kWh Saved (@ Generator)	1,421,597	2,166,940	N/A
kW Saved (@ Generator)	544	777	N/A

In November 2011, Xcel filed a petition with the Minnesota Public Utilities Commission (Commission) seeking approval of a financial performance incentive for qualifying solar projects installed by customers as a result of their Solar\*Rewards Program.<sup>14</sup> Xcel petitioned to receive an incentive equal to a flat payment of \$0.08 for every kWh produced by each new installation in its first year of operation, contending that the incentive would place customer-sited solar on a level playing field with other resources, including traditional CIP programs. However, the Department recommended that should the Commission decide to approve an incentive<sup>15</sup>, the Commission should approve a lower amount equal to 0.035/kWh. This amount was commensurate with the Company's past financial incentives for traditional CIP programs. Ultimately, the Commission approved Xcel's proposed solar incentive plan for a flat payment for every kWh produced during the first year of a system's installation, but at a rate of \$0.035/kWh. The effective date of the incentive payment was January 1, 2012 with compliance reports due in subsequent years which would address the impact of the financial incentive plan on the Solar\*Rewards program.

On June 1, 2012, Xcel filed its proposed CIP Triennial plan for 2013-2015 which included a proposal to continue the Solar\*Rewards program only through 2013 together with a proposed phase out of the program by the end of 2013. In addition to discontinuing the program, the budget and incentive levels were reduced. Below is a summary table of the proposed Solar\*Rewards program for 2013-2015.<sup>16</sup>

**Table 17: Xcel Proposed Budget (Triennial Filing)**

<b>Proposed Figures (Annual)</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Budget	\$ 2,500,000	N/A	N/A
Incentives to Participants	\$ 2,300,000	N/A	N/A
Incentive/watt	\$ 1.50	N/A	N/A
Participants	116	N/A	N/A
kWh Savings(@ Generator)	2,121,127	N/A	N/A
kW Savings (@ Generator)	783	N/A	N/A

<sup>14</sup> Xcel Energy Petition for Financial Incentive, Docket No. E002/M-11-1101.

<sup>15</sup> The Department's Comments pointed out that an incentive is traditionally intended to encourage or maximize behavior. Since the Solar\*Rewards approved budgets were already at their statutory limit, and the number of customers applying for the program exceeded funds available, it was not clear that a financial incentive was in the public interest.

<sup>16</sup> Xcel Energy Triennial Plan 2013/2014/2015, Docket No. E,G002/CIP-12-447, Pg. 367 and 477.

On August 27, 2012, Staff filed a Proposed Decision on Xcel’s triennial filing, including Solar\*Rewards. Staff summarized Xcel’s justification for discontinuing the program along with comments received by various stakeholders and outlined their analysis of Xcel’s proposal to discontinue phase-out Solar\*Rewards. Staff evaluated three main areas to support their recommendations to the Commissioner to consider in the final Decision: the Commissioner’s authority to require utilities to make cost-effective energy conservation improvement investments or expenditures, flat load growth and a need for additional generation with regard to the Integrated Resource Plan, and supporting the public’s interest – including economic support of the solar industry and demand for clean energy – through offering a renewable energy program.

Staff’s Proposed Decision

On August 27, 2012, Staff recommended that the Commissioner require Xcel to continue Solar\*Rewards after 2013 into 2014 and 2015 with the same budget in the 2010-2012 triennial, but with the reduced incentive level of \$1.50/watt in order to ensure cost-effectiveness.<sup>17</sup> Staff asserted there is still significant demand for solar PV incentives and a \$5,000,000 annual budget is necessary to meet customer demand. Staff found Xcel’s proposal to reduce the incentive level reasonable and that the current market and cost to install solar PV is conducive to a lower incentive. If the market changes due to new tariffs on foreign products and if there is a need to alter incentive levels, Xcel can make adjustments at that time; however, any changes in the incentive level that could potentially change the budget would need to be approved by the Department. See the table below for Staff’s proposed annual budgets, participation goals, energy savings, and incentive levels.

**Table 18: Staff Proposed Budget**

<b>Recommended Figures (Annual)</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Budget	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000
Incentives to Participants	\$ 4,600,000	\$ 4,600,000	\$ 4,600,000
Incentive/watt	\$ 1.50	\$ 1.50	\$ 1.50
Participants	232	232	232
kWh Savings (@ Generator)	4,242,254	4,242,254	4,242,254
kW Savings (@ Generator)	1,566	1,566	1,566

Staff also recommended that, if all rebates are not paid and the budget from the 2010-2012 triennial is not exhausted by the end of 2012, the Commissioner order Xcel to roll over the remaining funds to the 2013-2015 triennial period.

Staff recommended that the Commissioner direct Staff and Xcel to work with stakeholders to explore alternate options for a solar program. Staff recommended, since Xcel has indicated they are open to discussion regarding a different mechanism for supporting solar PV installations in its service territory, that the Company, with Staff and stakeholder input, propose a new program using either internal resources, additional funding streams, or other entities that may administer a more effective program and explore the option of providing performance-based incentives instead of capacity-based incentives. According to Staff, this option should be pursued if Xcel

<sup>17</sup> Conservation Improvement Program Staff, Proposed Decision, Docket No.12-447, Pg. 33-34.

provides a strategic plan for achieving implementation of an alternative program, detailed logistics for setting up the program, a timeline for implementation, a plan for working with the Department to ensure adequacy of the alternative program to meet the needs of the recipients of the program, as well as budget and incentive details. Staff recommended that the Commissioner order the development of the alternate program be complete before the end of the next triennial period. Finally, Staff recommended that if an alternate solar program is developed before the end of the 2013-2015 triennium, a modification to discontinue Solar\*Rewards should, upon Xcel's request, be considered.

In summary, Staff recommended the following order points for consideration by the Commissioner:

- a) Require Xcel to continue Solar\*Rewards after 2013 into 2014 and 2015 with the same budget in the 2010-2012 triennial, but with the reduced incentive level of \$1.50/watt.
- b) Require any remaining funds from 2010-2012 budgets be rolled over to the 2013-2015 triennial period.
- c) Direct Staff and Xcel to work with stakeholders to explore alternate funding options, outside of CIP, for a solar program.
- d) Order the development of the alternate program to be completed before the end of the 2013-2015 triennial period.

### Reply Comments

Reply comments on Staff's Proposed Decision were received by the Department from both Xcel and other stakeholders – over forty separate comments were filed in response to Staff's Proposed Decision. The majority of the comments from stakeholders express support for Staff's Proposed Decision. No comments were filed that fully reject Staff's recommendations. Two organizations, Center for Energy and Environment (CEE) and Minnesota Renewable Energy Society (MRES), provide additional comments for consideration in the Commissioners analysis of Xcel's proposed triennial plan.

First, CEE recommends that Xcel agree to continue Solar\*Rewards through 2015 at their proposed rebate level of \$1.50/watt until an alternate program has been developed and that Solar\*Rewards is a suitable interim solution to support the solar industry in Minnesota. In addition to continued support for Solar\*Rewards, CEE recommends Xcel should include in its program ongoing measurement and verification protocols to enable Xcel and Department Staff to evaluate actual performance and costs of various solar system installations. CEE recommends the data should be made available via the annual status report Xcel files with the Department or in a compliance filing.

Second, the Minnesota Renewable Energy Society (MRES) discusses its concerns over Xcel's analysis of the cost-effectiveness of solar generated electricity. MRES contends Xcel's assumption that the cost of solar energy is between \$ 0.20 to \$ 0.30 per kWh and this estimation is excessive. Based on MRES calculations, the actual cost is closer to \$ 0.103 to \$ 0.155 per generated kWh. This figure is further reduced when applying federal tax credits. Additionally, MRES asserts that comparing the cost of generation to the cost of avoided generation, such as

avoided generation through energy efficiency, is not a valid comparison. MRES argues that while the cost of solar has declined and is becoming more competitive with other fuel sources, incentives are still necessary to bring down the payback period for the average homeowner or business to justify the investment.

### Xcel Energy Reply Comments

#### *Statutory Authority*

Xcel asserts that Minnesota law does not give the Commissioner authority to order continuation of the Solar\*Rewards program or development of an alternate program under CIP. Xcel states that the Commissioner's authority is limited to ordering investments in "energy conservation improvements" which it claims is a phrase that does not include solar projects. Xcel argues the provision that allows for qualifying solar projects in CIP uses permissive language and that a solar program in CIP may only occur if the utility chooses to include such a program in its CIP portfolio. Xcel also argues that there is no precedent for a Commissioner to order a utility to establish or expand a renewable program in a utility's CIP unless the utility proposed or otherwise agreed to the program. Xcel contends that, regardless of the question of authority, the Commissioner should be guided by the impact of Solar\*Rewards on Xcel's customers, the Company and overall cost-effectiveness.

#### *Cost of Solar*

Xcel maintains the cost of solar is 10 to 15 times more expensive than natural gas, coal and nuclear generation resources and 4 to 6 times higher than other sources of renewable generation. The additional cost of Solar\*Rewards affects all customers and the generation from this resource is not necessary to meet the Company's integrated resource plan goals. Xcel asserts that given its slow growth in energy sales, Solar\*Rewards is not needed as a generation resource; there is sufficient capacity to meet short term needs and there are existing plans to meet longer term demand requirements through natural gas generation. Additionally, Xcel points to past performance of Solar\*Rewards and its failure to pass cost-effectiveness tests in 2010 and 2011, including the Utility Cost Test. Xcel states that, using past performance as an indicator, it is possible the program will fail again when actual results are considered. Xcel argues the impact of this program significantly impacts the overall cost-effectiveness of its CIP portfolio and overall performance.

#### *Cost to Non-Participating Customers*

Xcel notes the impact of continuing Solar\*Rewards to non-participating customers extends beyond the cost of administering the program and funding the incentive payments. According to the Company, additional costs are borne by non-participating customers, such as costs associated with net metering, the Minnesota Bonus Rebate, and federal tax incentives, resulting from other customer's participation in Solar\*Rewards. Due to these additional costs, the cost of solar to non-participating customers through cross-subsidies is significantly greater than what is accounted for in the cost-benefit analyses.



### *Cost to the Company*

Xcel states that the Solar\*Rewards program, like energy efficiency, results in fewer sales and lower revenue for the Company. According to the Company, the CIP incentive mechanism is available to address disincentives for renewable and efficiency programs, but that the current incentive approved for Solar\*Rewards is significantly lower than the incentive for other CIP programs and does not sufficiently mitigate the cost of Solar\*Rewards to the Company. Xcel invites the Department to reassess the current financial mechanism and discuss a more appropriate level of financial incentive for small-scale solar programs.

### *Regulatory Framework*

Xcel discusses its role in the broader distributed generation (DG) conversations being led by the Department. Xcel contends that the regulatory framework around solar incentive programs and DG consists of broader issues that need to be discussed with various stakeholders and that any discussions regarding an alternate solar incentive program need to be discussed within the greater context of DG, not a separate dialogue. Xcel maintains that it is unclear that the public interest and public policy are best served by continuation of Solar\*Rewards. Xcel requests that the Commissioner not adopt Staff's proposed point ordering the development of an alternate program before the end of the 2013-15 triennial period in lieu of continuing to participate in the ongoing DG discussions.

### *Solar\*Rewards Proposal*

Xcel disagrees with Staff's proposed decision regarding program continuation and an increased budget for Solar\*Rewards. Xcel instead proposes an alternative budget phasing-out Solar\*Rewards after 2014, a change from the Company's original proposal to discontinue the program after 2013. Xcel also proposes to increase its originally specified annual budget from \$2,500,000 to \$3,250,000. With the revised budget and goals, the program is still projected to pass the utility cost test in 2013 at 1.02 and in 2014 at 1.06. See below table for additional information.

**Table 19: Revised Proposed Budget**

<b>Proposed Figures (Annual)</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Budget	\$ 3,250,000	\$ 3,250,000	N/A
Incentives to Participants	\$ 3,000,000	\$ 3,000,000	N/A
Incentive/watt	\$ 1.50	\$ 1.50	N/A
Participants	151	151	N/A
kWh Savings (@ Generator)	2,766,687	2,766,687	N/A
kW Savings (@ Generator)	1,022	1,022	N/A

## Commissioner Analysis

### *Cost-Effectiveness of Solar\*Rewards*

Xcel argues that Solar\*Rewards is not a cost-effective program, even though it passes the Utility Cost Test in both the 2013 and the 2014 proposed budgets in its reply comments. This argument is based on past performance of Solar\*Rewards in 2010 and 2011. The Commissioner notes in Xcel's revised proposal there are significant differences in project delivery, marketing, and administration costs as well as significantly lower incentive levels for the 2013-2015 Solar\*Rewards budget. Therefore, the Commissioner believes it is premature for the Company to claim that the future performance of the program, given so many changes from its previous design, may fail the Utility Cost Test based on actual performance. As it stands, the program, as proposed by the Company in reply comments, passes the Utility Cost Test in 2013 and appears to be increasingly cost-effective in 2014. While the Commissioner understands that continued evaluation and monitoring of the program is necessary to determine the true costs and benefits of the program to help inform development of future solar energy programs, the proposed budgets and savings goals are reasonable inputs for projecting the cost-effectiveness of the program. Furthermore, Minnesota Statutes Section 216B.241, subdivision 5 (a) grants the Commissioner the authority to use an alternate cost-effectiveness standard for solar energy projects if the Commissioner determines it is in the public interest to do so to encourage solar energy projects. The Commissioner agrees with Staff that the Utility Cost Test is a reasonable alternate cost-effectiveness standard to use for Solar\*Rewards and believes that the use of this standard is in the public interest to encourage more solar projects.

### *Cost of Solar\*Rewards to Non-Participants*

Xcel expresses concern over the cost of Solar\*Rewards to customers that do not participate in the program. The Commissioner acknowledges that there may be some costs to non-participants in CIP as a result of the Solar\*Rewards program. Xcel asserts these additional costs are associated with net-metering, the Minnesota Bonus Rebate and federal tax incentives. However, Xcel does not provide any analysis to illustrate that these costs outweigh the benefits that the same non-participating customers may receive from the program. These benefits could include environmental and health benefits associated with reduced emissions from solar installations. The Commissioner is open to further discussion regarding the costs and benefits of solar energy projects to non-participants, but the Company's concerns are not substantiated with any analysis of these potential costs or benefits.

### *Cost of Solar\*Rewards to the Company*

Xcel argues that energy efficiency programs and small-scale solar generation projects result in fewer sales and lost revenue for the Company. Xcel recognizes that there is an incentive mechanism in place to encourage energy efficiency in CIP, but argues the current incentive mechanism for Solar\*Rewards is not sufficient to off-set lost revenue and is significantly lower than the incentives received due to energy efficiency improvements through CIP. In the Commission Order approving a performance incentive for qualifying solar energy projects through CIP, the Commission agreed that a financial incentive for Xcel's performance was in the Company's interest and ordered what was determined to be an appropriate performance incentive level at \$.035 per kWh generated through solar installations. In that Order, the Commission

provides Xcel with an opportunity to demonstrate the effectiveness of the performance incentive through an evaluation report to the Commission at a later date. To date, no such analysis or evaluation as to the effectiveness of the financial incentive has been provided. The Commissioner asserts that the CIP docket for triennial plans is not an appropriate arena to discuss changes or increases in financial incentives. This Order does not alter Xcel's opportunity to request adjustment of its performance incentive from the Commission under Minnesota Statutes Section 216B.241, Subdivision 5a and associated statutes.

Additionally, Xcel is able to recover its expenditures for CIP, including Solar\*Rewards, through a cost recovery mechanism in its base rates and through cost recovery adjustments. As a result of the cost recovery mechanisms currently in place and the current financial performance incentive, the Commissioner does not find that Xcel has provided a compelling argument that the cost of Solar\*Rewards to the Company is excessive nor does it justify the program's discontinuation.

### *Public Interest*

The Commissioner agrees with Staff's Proposed Decision and finds that there is a significant public interest in continuing Solar\*Rewards. The Commissioner finds that the overall impact of discontinuing Solar\*Rewards is far greater than the cost impacts as Xcel describes them. It is clear to the Commissioner that discontinuation of the program will result in significant harm to the fledgling solar industry in Minnesota. It would be irresponsible of the Commissioner to allow a program that is key in supporting this industry and, in part, the economy of Minnesota, to be discontinued so suddenly without an alternative program in place.

The Commissioner agrees with Staff's analysis that strong arguments support the need to continue Solar\*Rewards to further the public interest. The Commissioner supports Xcel's assertion, in its petition to be awarded a financial incentive for achieving savings through Solar\*Rewards, that there is a public interest, as follows:

Supporting the growth of the solar industry could result in local economic benefits by providing jobs for solar installers, solar equipment manufacturers and solar trainers. Supporting the industry can also contribute to ongoing technology advances designed to improve system efficiencies and reduce costs, which would encourage further solar development.

These sentiments of public interest have been echoed by Staff as well as comments made by the very people who Xcel cites in the above statement – solar trainers, system installers and product manufacturers. The Commissioner also believes that in the two and half years Xcel has administered Solar\*Rewards significant progress has been made in building an infrastructure to support a solar industry in Minnesota. Jobs have been created, financial investments have been made in the state, and a new industry is gaining traction in Minnesota's economy. Not only are there economic benefits, there are the environmental benefits of solar energy. Solar\*Rewards has helped diversify Minnesota's energy portfolio to include a clean, renewable source of energy. These environmental benefits could extend to health benefits through the achievement of reduced emissions that have harmful effects on the health of citizens in Minnesota. The

economic, environmental and health benefits are components of public interest that have been served, in part, by the accomplishments of Solar\*Rewards. The Commissioner agrees with Staff's recognition that there are other options to consider in the development, management and implementation of an incentive program for solar PV, and that additional time and planning is necessary to develop such a program before Xcel discontinues Solar\*Rewards. The suddenness with which the program incentives are proposed to be reduced and ultimately discontinued may very well cause irreparable damage to this growing industry; the public's interest is not best served by allowing Xcel to phase-out Solar\*Rewards as it requests.

### *Statutory Authority*

The Commissioner has clear authority pursuant to Minnesota Statutes sections 216B.241 and 216B.2411 to require energy conservation improvements including qualifying solar energy projects such as Solar\*Rewards. As discussed below, Xcel's argument overlooks this clear authority.

The Company argues that utilities may voluntarily include qualifying solar projects only at their discretion. Xcel's analysis of the Commissioner's statutory authority for Solar\*Rewards looks solely at the following subdivision of Minnesota Statutes section 216B.241 that allows a utility to include in its conservation plan qualifying solar energy projects:

Subd. 5a. Qualifying solar energy project. (a) A utility or association may include in its conservation plan programs for the installation of qualifying solar energy projects as defined by section 216B.2411 ...The cost-effectiveness of a qualifying solar energy project may be determined by a different standard than for other energy conservation improvements under this section if the Commissioner determines it is in the public interest to do so to encourage solar energy projects.

Xcel's limited analysis, however, does not address the Commissioner's broader authority to require the Company to make investments in energy conservation improvements, including qualifying solar energy projects such as Solar\*Rewards. As Staff explains in their Proposed Decision, the Commissioner has authority under Minnesota Statutes section 216B.241, Subdivision 2(a) to require public utilities to make investments and expenditures in "energy conservation improvements," as follows:

Subd. 2. Programs. (a) The Commissioner may require public utilities to make investments and expenditures in energy conservation improvements, explicitly setting forth the interest rates, prices and terms under which the improvements must be offered to the customers.

Staff correctly interprets Subdivision 2(a) of the statute to give broad authority to the Commissioner to require utilities to invest and spend in programs that the Department determines should be offered to utility customers. This authority is further supported in Minnesota Statutes section 216B.241, Subdivision 2 (b) that provides:

Subd. 2. Programs. (b) The Commissioner may require a utility to make an energy conservation improvement investment or expenditure whenever the Commissioner finds that the improvement will result in energy savings at a total cost to the utility less than the cost to the utility to produce or purchase an equivalent amount of new supply of energy.

Indeed, Minnesota Statutes section 216B.2411, Subdivision 1(c) provides that projects under section 216B.2411 must be considered “energy conservation improvements” under Minnesota Statutes section 216B.241:

Subd. 1. Generation Projects. (c) For a municipality, rural electric association, or public utility, projects under this section must be considered energy conservation improvements as defined in section 216B.241. [Emphasis added].

The projects under Minnesota Statutes section 216B.2411 include qualifying solar electric projects as defined in subdivision 2(f)(1) that meet the following criteria:

(f) “Qualifying solar electric project” means: (1) solar electric equipment that: (i) meets the requirements of section 216C.25<sup>18</sup>; (ii) has a peak generating capacity of 100 kilowatts or less; and (iii) is used to generate electricity for use in residential, commercial, or publicly owned property or facility...

Solar\*Rewards, as Xcel implicitly acknowledges, is a qualifying solar electric project under the qualifying solar electric project criteria.

While Xcel argues the statutory language is permissive and implementing a program for a qualifying solar energy project is voluntary for the utility, the Commissioner does not agree with the Company that the law prohibits the Commissioner from exercising his authority to require a public utility to invest in “energy conservation improvements” such as Solar\*Rewards. Rather, the Commissioner’s authority to require such programs is permissive under Minnesota Statutes section 216B.241, Subdivision 2(b), as quoted above.

Additionally, Solar\*Rewards, through Xcel’s own analysis, meets a cost-effectiveness standard, which is the Utility Cost Test. The Commissioner has determined that this is a reasonable cost-effectiveness test, and that it is in the public interest to hold Solar\*Rewards to this cost effectiveness standard to encourage qualifying solar energy projects.

In sum, the Commissioner has the authority to require Xcel’s investments in a qualifying solar energy project such as Solar\*Rewards.

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<sup>18</sup> Minnesota Statutes §216C.25, Solar Energy System Standards, concerns definitions and standards for solar energy systems and 216C.06 Subd. 17 define a solar energy system as “a set of devices whose primary purpose is to collect solar energy and convert and store it for useful purposes including heating and cooling buildings or other energy-using processes, or to produce generated power by means of any combination of collecting, transferring, or converting solar-generated energy.”

## Decision

The Commissioner finds, based on an evaluation of Staff's analysis, Xcel's analysis and the comments of others, there are compelling arguments to continue Solar\*Rewards with a budget that meets the needs of customer demand, but with the recognition that it is a short-term program option in need of a long-term program solution. The Commissioner finds there is statutory authority to require Xcel to invest in energy conservation improvements and that distributed generation projects, such as a qualifying solar energy project, are considered energy conservation improvements. Furthermore, the Commissioner finds that, by Xcel's own analysis, Solar\*Rewards appears to be cost effective today, if not increasingly cost-effective over the coming triennium, using the Utility Cost Test. The Commissioner finds that the Utility Cost test is a reasonable alternate cost-effectiveness test for Solar\*Rewards. Finally, based on a review of all stakeholder comments, the Commissioner recognizes there is significant demand and overwhelming public interest in the continuation of Solar\*Rewards. The Commissioner has determined that the potential economic, environmental and health benefits that result from Solar\*Rewards are benefits that support the public interest and provide additional justification for continuation of the program. The Commissioner supports Staff's Proposed Decision to continue the Solar\*Rewards program with a budget of \$5 million per year throughout the duration of the 2013-2015 triennium.

Xcel provides no analysis of its claim that the Commissioner lacks authority to order Xcel to work to identify another solar energy program, and while the Commissioner agrees with Staff as to authority established in statute, the Commissioner disagrees with Staff that it is necessary to order the company to participate in such discussions. The Commissioner is confident that Xcel will work in collaboration with the Department on the structure of any alternate program. The Commissioner is encouraged by Xcel's leadership in energy efficiency and conservation programming, as well as through establishment of Solar\*Rewards, and believes that this leadership will continue with a willingness and interest to find an alternate program. Xcel, upon the beginning of a new solar incentive program that is not Solar\*Rewards, may file a petition to terminate an existing project which will discontinue Solar\*Rewards at anytime during the approved triennial period. The Commissioner, after reviewing an existing project termination filing, will consider discontinuation of Solar\*Rewards after an alternative program has been developed.

Based on the analysis of Staff's Proposed Decision, Xcel Energy's Proposed Triennial Filing and Reply Comments and other input provided by stakeholders through the public comment process, the Commissioner orders the following:

- a. Require Xcel to continue Solar\*Rewards in 2013, 2014 and 2015 with the same budget in the 2010-2012 triennial, but with the reduced incentive level of \$1.50/watt.

**Table 20: Approved Budget**

<b>Approved Figures (Annual)</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Budget	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000
Incentives to Participants	\$ 4,600,000	\$ 4,600,000	\$ 4,600,000
Incentive/watt	\$ 1.50	\$ 1.50	\$ 1.50
Participants	232	232	232
kWh Savings (@ Generator)	4,242,254	4,242,254	4,242,254
kW Savings (@ Generator)	1,566	1,566	1,566

- b. Require any remaining funds from 2010-2012 budget to be rolled over to the 2013-2015 triennial period.

## **X. ALTERNATIVE CIP PROPOSALS**

### **ENERGY SMART PROPOSAL (DOCKET NO. 12-447.01)**

Energy Smart is a program offered by the Minnesota Waste Wise Foundation, an affiliate program of the Minnesota Chamber of Commerce. The Energy Smart program assists businesses in identifying and evaluating energy efficiency investment options. The Commissioner first approved the Energy Smart proposal for inclusion in Xcel's CIP program in 2008. On June 1, 2012, Waste Wise submitted its proposal for continuation of the Energy Smart program as an alternative CIP for the 2013-2015 triennium. Wyoming Machine, East Side Neighborhood Development Company, Inc., PM Bedroom Gallery, and Xcel filed letters of support for the proposal.

Since its initial offerings, Energy Smart program staff have expanded the program to include additional outreach efforts and energy efficiency workshops for businesses, site visits that include basic energy efficiency recommendations, utility bill analysis, rebate application assistance and follow-up, energy benchmarking and efficient building certification. Minnesota Waste Wise plans to further expand the program to include periodic promotions of specific energy-saving technologies. While Energy Smart is considered an indirect program, program staff are working with Xcel to track customer participation in other Xcel programs that deliver direct energy savings.

The Commissioner approves the Energy Smart proposal for the 2013-2015 triennium as filed. The Commissioner requires Waste Wise to submit annual status reports to the Department detailing Energy Smart program performance. The status reports should include participation and implementation metrics already tracked by the program and described in the program proposal, detailed descriptions of marketing and outreach efforts, new initiatives, and issues encountered during the program year. The Commissioner grants Waste Wise the flexibility to exceed their approved budget by up to 25 percent. This arrangement means that Waste Wise and Xcel will have to remain in communication so that Xcel knows what kinds of budget expenditures to expect.

The Commissioner grants Energy Smart the flexibility to exceed their approved budget. However, Energy Smart must file a letter with the Department requesting to exceed the program budget by more than 25 percent. The letter should provide an explanation for the increase, an indication of the total magnitude of the additional spending, and the impact on energy savings and cost-effectiveness as a result of the additional spending. Any additional spending at or above 25 percent of approved budgets will not be allowed until the Commissioner has provided formal approval to the utility that this spending is reasonably justifiable. This arrangement means that Energy Smart and Xcel will have to remain in communication so that Xcel knows what kinds of budget expenditures to expect.

### **TRILLION BTU PROPOSAL (DOCKET NO. 12-447.02)**

As discussed above, Staff are continuing to evaluate the Trillion BTU Proposal and intend to deliver their Comments, Analysis, and Proposed Decision concerning the Trillion BTU Proposal 30 days after filing the Commissioner's Decision on proposed Triennial Plan. All subsequent proceedings regarding the Trillion BTU Proposal will only be filed in docket 12-447.02.

### **ONE-STOP EFFICICENCY SHOP PROPOSAL (DOCKET NO. 12-447.03)**

One-Stop Efficiency Shop is a program offered by CEE. The One-Stop Efficiency Shop assists small businesses to implement energy efficiency lighting measures. The Commissioner first approved the One-Stop proposal for inclusion in Xcel's CIP program in 2000. On June 14, 2012, CEE submitted its proposal for continuation of the One-Stop proposals as an alternative CIP for the 2013-2015 triennium. Xcel filed a letter of support for the proposal.

The One-Stop program has historically exceeded expectations and has delivered reliable, cost-effective energy savings for Xcel customers. In 2011, the One-Stop Efficiency Shop program reported exceeding its energy savings goals by 14 percent, while cost per kWh saved was 5 percent less than approved and the budget was only exceeded by 8 percent.<sup>19</sup> Given the program's strong performance, and the importance of the program to Xcel's Business segment, the Commissioner approves the One-Stop proposal as filed.

The Commissioner notes that CEE has proposed changing the rebate structure for the program to be based on both kWh and kW savings. The Commissioner accepts this change. Although CEE did not mention kW savings in association with proposed cost-effectiveness analysis, the Commissioner wants to be clear that to be consistent with other CIP practices, CEE may use both kWh and kW savings for rebates. However, kW savings inputs for cost-effectiveness analysis must represent the incremental kW savings only during peak time periods.

CEE is required to submit annual status reports to the Department detailing the One-Stop program performance. The status reports should include the following information in addition to the approved and actual participation, energy savings, demand savings, and spending currently reported for the program:

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<sup>19</sup> Energy savings for 2011 are as reported by CEE in Xcel's 2011 CIP Status Report (docket no. 09-198.05). These results have not been thoroughly reviewed by Staff and have not been approved by the Commissioner.



- Measures installed;
- Number of installations by facility size (measured by customer peak kW);
- Installation audits performed and results;
- Summary description of program performance; interaction with other utility, business, non-profit, or local government energy or environmental initiatives, issues encountered during the program year, or other information relevant to program performance.

The Commissioner grants CEE the flexibility to exceed their approved budget. However, CEE must file a letter with the Department requesting to exceed the program budget by more than 25 percent. The letter should provide an explanation for the increase, an indication of the total magnitude of the additional spending, and the impact on energy savings and cost-effectiveness as a result of the additional spending. Any additional spending at or above 25 percent of approved budgets will not be allowed until the Commissioner has provided formal approval to the utility that this spending is reasonably justifiable. This arrangement means that CEE and Xcel will have to remain in communication so that Xcel knows what kinds of budget expenditures to expect.

Additionally, the Commissioner approves an informal modification process for CEE with this new triennial. This process provides a means for Staff to review and approve new measures for inclusion in CEE's existing projects, or changes to existing measures, without requiring a formal modification request by the Company. The process also requires that the Company submit courtesy notifications apprising Staff of changes to project structure, rebate structures, or project policies. This basic approach was implemented in agreement with Xcel Energy in October 2011 and the Commissioner believes this process should continue with utilities and other direct impact alternative CIPs.

The requirements for the informal modification process are as follows:

- CEE must submit an informal modification request to Staff for approval of new energy conservation measures to be implemented in a prescriptive or custom-prescriptive manner in an existing project.
- CEE must submit an informal modification request to Staff for approval of any change to an existing energy conservation measure that would impact savings or cost-effectiveness. Examples include changes to incremental costs, savings, lifetime, and baseline efficiency assumptions.
- Staff have 30 days to review the proposed changes, and may request additional time as needed.
- CEE shall provide courtesy notifications to apprise Department Staff of changes to project structure, rebate structures, or project policies (for example, customer eligibility requirements).

## **XI. COMMISSIONER'S DECISION**

1. The Commissioner finds that Xcel's proposed electric and gas 2013-2015 CIPs are in compliance with the following statutory requirements:
  - minimum energy savings (§216B.241, subd. 1c(b)), with a minimum energy for the electric utility of 435,845; 435,713; and 435,415 MWh annually for 2013, 2014, and 2015 respectively and a minimum energy savings for the gas utility of 696,415; 691,908; and 696,474 Dth annually for 2013, 2014, and 2015;
  - minimum spending levels (§216B.241, subd. 1(a)), with a minimum spending for the electric utility of \$52,726,173 annually for 2013, 2014, and 2015 and a minimum spending requirement for the gas utility of \$2,633,778 annually for 2013, 2014, and 2015;
  - minimum spending levels on programs for low-income customers (§216B.241, subd. 7), with a minimum spending for the electric utility of \$2,010,277 annually for 2013, 2014, and 2015 and a minimum spending requirement for the gas utility of \$605,469 annually for 2013, 2014, and 2015;
  - investments in projects that encourage energy efficient lighting and provide for proper disposal of lamps (§216B.241, subd. 5);
  - a cap on research and development spending equal to ten percent of a utility's minimum spending requirement (§216B.241, subd. 2(c));
  - a cap on DG spending equal to five percent of a utility's minimum spending requirement, with approval to spend up to 10 percent (§216B.2411, subd. 1);
  - a provision requiring inclusion of programs that facilitate ENERGY STAR labeling, LEED certification, or Green Globes certification of commercial buildings (§216B.241, subd. 1f(c)).
  - a requirement for utilities to develop and implement conservation improvement programs that are consistent with the Sustainable Building 2030 performance standards (§216B.241, subd. 9 (e)).
2. The Commissioner has authority to adjust Xcel's statutory gas savings goals to 1.0 percent annually, measured as a percentage of 2009-2011 weather-normalized average retail gas energy sales as proposed in the Petition.
3. The Commissioner's authority to order additional electric CIP spending will be determined when the Commission decides on Xcel's current IRP. The Commissioner has authority to order additional gas CIP spending by Xcel.
4. The Commissioner allows Xcel to exceed its annual budget, savings, and participation goals for the Business and Residential segments in its electric CIP and the Business, Residential, and Low-Income segments in its gas CIP so long as the Company meets its

total energy and demand savings goals for each of these segments in a manner that is cost-effective from the Societal perspective. Xcel must file procedures outlined in the *Modification Filing Requirements* section of this document.

5. The Commissioner allows Xcel to exceed the approved annual budget for the Planning segment and the Research, Evaluations & Pilots segment by up to 25 percent without prior approval.
6. The Commissioner requires Xcel to file a CIP modification request, pursuant to Minnesota Rules part 7690.1400, in the following instances:
  - proposing a new project;
  - discontinuing an existing project;
  - reducing the minimum qualifying efficiency level of a conservation measure or technology;
  - decreasing project budgets and savings and participation goals; and
  - increasing the Research, Evaluations and Pilot segment or the Planning segment annual budgets by more than 25 percent.
7. The Commissioner requires Xcel to submit modification updates annually in its status reports to keep the Department and all other interested parties informed of any modifications to its CIP, including those modifications not requiring specific approval.
8. The Commissioner requires Xcel to continue to report in its annual status reports any adverse impacts of tankless water heaters on gas distribution systems identified through the Company's ongoing gas distribution system monitoring activities in the Company's annual status reports.
9. The Commissioner requires the following for Solar\*Rewards:
  - a. Xcel is to continue Solar\*Rewards in 2013, 2014 and 2015 with the same budget in the 2010-2012 triennial, but with the reduced incentive level of \$1.50/watt.

<b>Approved Figures (Annual)</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Budget	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000
Incentives to Participants	\$ 4,600,000	\$ 4,600,000	\$ 4,600,000
Incentive/watt	\$ 1.50	\$ 1.50	\$ 1.50
Participants	232	232	232
kWh Savings (@ Generator)	4,242,254	4,242,254	4,242,254
kW Savings (@ Generator)	1,566	1,566	1,566

- b. Any remaining funds from 2010-2012 triennial budget are to be rolled over to the 2013-2015 triennial period.
10. The Commissioner approves all programs not discussed in this document as filed.

11. The Commissioner approves the following recommendations proposed by Staff pertaining alternative CIP filings:

a. The Commissioner approves the Energy Smart project as filed with the following budgets:

**Table 21: Energy Smart Proposal**

	2013	2014	2015
Electric	\$327,750	\$342,000	\$356,250
Natural Gas	\$17,250	\$18,000	\$18,750
Total	\$345,000	\$360,000	\$375,000

b. The Commissioner grants Waste Wise the flexibility to exceed their approved Energy Smart program budget by up to 25 percent. Energy Smart must file a letter and receive the Commissioner’s approval when spending exceeds 25 percent of the approved budget.

c. The Commissioner approves the One-Stop project as filed with the following budgets and goals:

**Table 22: One-Stop Proposal**

	2013	2014	2015
kW (Generator)	10,786	10,786	10,786
kWh (Generator)	35,046,403	35,046,403	35,046,403
Budget	\$10,400,000	\$10,608,000	\$10,820,160
Participants	1,128	1,128	1,128

d. The Commissioner grants CEE the flexibility to exceed their approved budget so long as the Company meets its total energy and demand savings goals for each of these segments in a manner that is cost-effective from the Societal perspective. CEE must file a letter and receive the Commissioner’s approval when spending exceeds 25 percent of the approved budget.

12. The Commissioner approves the following segment budgets and goals for the 2013-2015 triennial.

**Table 23: Xcel’s Approved Electric Budgets**

Segment	2013	2014	2015
Business	\$41,556,765	\$43,198,901	\$44,698,041
Residential	\$20,378,392	\$20,730,713	\$21,762,406
Low-Income	\$2,321,035	\$2,568,863	\$2,520,587
Planning	\$4,154,742	\$4,216,343	\$4,290,268
Research, Evaluations & Pilots	\$1,971,538	\$1,381,920	\$1,805,988
Renewable Energy	\$2,500,000		
<b>Total Electric CIP</b>	<b>\$72,882,472</b>	<b>\$72,096,740</b>	<b>\$75,077,290</b>

**Table 24: Xcel's Approved Electric Participation Goals**

Segment	2013	2014	2015
Business	72,162	77,185	82,173
Residential	1,485,313	1,560,397	1,699,699
Low-Income	4,146	4,346	4,246
Renewable Energy	116		
<b>Total Electric CIP</b>	1,561,737	1,641,928	1,786,118

**Table 25: Xcel's Approved Electric Energy and Demand Savings Goals (kWh and kW at the Generator)**

Segment		2013	2014	2015
Business	kWh	286,545,465	296,888,998	297,568,573
	kW	53,167	53,088	52,840
Residential	kWh	109,575,754	101,190,600	100,401,037
	kW	40,845	39,869	39,647
Low-Income	kWh	2,602,248	2,633,067	2,445,325
	kW	477	498	476
Renewable Energy	kWh	2,121,127		
	kW	783		
<b>Total kWh</b>	kWh	400,844,594	400,712,665	400,414,935
<b>Total kW</b>	kW	95,272	93,455	92,963

**Table 26: Xcel's Approved Gas Budgets**

Segment	2013	2014	2015
Business	\$4,269,785	\$4,644,432	\$4,809,699
Residential	\$5,265,055	\$5,573,531	\$5,632,928
Low-Income	\$1,656,980	\$1,656,181	\$1,636,221
Planning	\$1,010,746	\$1,029,794	\$1,057,933
Research, Evaluations & Pilots	\$682,862	\$671,305	\$417,042
<b>Total Gas CIP</b>	\$12,885,428	\$13,575,243	\$13,553,823

**Table 27: Xcel's Approved Gas Participation Goals**

Segment	2013	2014	2015
Business	2,775	2,902	2,900
Residential	581,243	573,836	566,752
Low-Income	2,050	2,050	2,050
<b>Total Gas CIP</b>	586,068	578,788	571,702

**Table 28: Xcel's Approved Gas Energy Savings Goals (Dth)**

<b>Segment</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Business	430,500	490,913	496,084
Residential	242,281	177,360	177,115
Low-Income	23,635	23,635	23,275
<b>Total Gas CIP</b>	696,416	691,908	696,474

*BY ORDER OF THE COMMISSIONER*

/s/ MIKE ROTHMAN  
Commissioner  
Minnesota Department of Commerce

## **CERTIFICATE OF SERVICE**

I, Sharon Ferguson, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, certified mail, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

**Minnesota Department of Commerce  
Decision**

**Docket No. E,G002/CIP-12-447**

Dated this **1<sup>st</sup>** of **October, 2012**

**/s/Sharon Ferguson**

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Paul	Aasen	Paul.Aasen@minneapolismn.gov	Minneapolis City of Lakes	350 S 5th St RM 301M  Minneapolis, MN 55415-1393	Paper Service	No	OFF_SL_12-447_CIP-12-447
Julia	Anderson	Julia.Anderson@ag.state.mn.us	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota St St. Paul, MN 551012134	Electronic Service	Yes	OFF_SL_12-447_CIP-12-447
Jessica	Antinozzi	go4solarmn@gmail.com		7041 147th Avenue NW  Ramsey, Minnesota 55303	Electronic Service	No	OFF_SL_12-447_CIP-12-447
KERRI	BARSNESS	jkbars@q.com		1454 159th Ave NW  Andover, Mn 55304	Electronic Service	No	OFF_SL_12-447_CIP-12-447
Dave	Baker	david.baker@saintpaul.edu	Saint Paul College	60 Plato Blvd E Ste 150  Saint Paul, MN 55107	Paper Service	No	OFF_SL_12-447_CIP-12-447
Thomas	Bakk		Env & Nat Res Cmte & Jobs, Ene & Comm	75 Rev. Dr. Martin Luther King Jr Blvd Room 226 St. Paul, MN 55155	Paper Service	No	OFF_SL_12-447_CIP-12-447
William H and Nancy L	Bauer	whbauer@ties2.net		10830 French Lake Rd  Champlin, MN 55316	Paper Service	No	OFF_SL_12-447_CIP-12-447
Amy	Blumenshine	troutblues@aol.com		3156 Elliot Ave. S.  Minneapolis, MN 55407	Electronic Service	No	OFF_SL_12-447_CIP-12-447
Jim	Borofka	N/A	P.M. BEDROOM GALLERY	805 COUNTY RD 10 NE  BLAINE, MN 55434	Paper Service	No	OFF_SL_12-447_CIP-12-447
Kenneth	Bradley	kbradley@environmentminnesota.org		1313 5th St., SE, Suite 316  Minneapolis, MN 55414	Paper Service	No	OFF_SL_12-447_CIP-12-447



First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Anne	Briseno	N/A	EAST SIDE NEIGHBORHOOD DEVELOPMENT COMPANY, INC.	925 Payne Ave Ste 201  Saint Paul, MN 55130	Paper Service	No	OFF_SL_12-447_CIP-12-447
Marty	Broan	marty.broan@sustology.com	Sustology	250 Marquette Av, Suite 550  Minneapolis, MN 55401	Electronic Service	No	OFF_SL_12-447_CIP-12-447
Joel	Cannon	jcannon@tenksolar.com	tenKsolar, Inc.	9549 Penn Avenue S  Bloomington, MN 55431	Electronic Service	No	OFF_SL_12-447_CIP-12-447
John	Carroll	jcarroll@newportpartners.com	Newport Partners, LLC	9 Cushing Suite 200 Irvine, California 92618	Paper Service	No	OFF_SL_12-447_CIP-12-447
Steve	Coleman	stevecolemanpuma@gmail.com		231 Winifred St W  Saint Paul, MN 55107	Paper Service	No	OFF_SL_12-447_CIP-12-447
Nathan	Criego	nathancriego@yahoo.com		13358 Marigold St  Andover, MN 55304	Electronic Service	No	OFF_SL_12-447_CIP-12-447
Jill	Curran	jcurran@mnchamber.com	Minnesota Waste Wise	400 Robert Street North Suite 1500 St. Paul, Minnesota 55101	Electronic Service	No	OFF_SL_12-447_CIP-12-447
Steven	Dimmick	sdimmick@wernerelec.com	Werner electric	7450 95th st s  cottage grove, mn 55016	Electronic Service	No	OFF_SL_12-447_CIP-12-447
Kevin	Disse	kevin@kgdengineering.com	KGD Engineering	20872 322nd Avenue  Rochert, MN 56578	Paper Service	No	OFF_SL_12-447_CIP-12-447
Larry	Dolphin	N/A	MN Division Izaak Walton League of America	2233 University Ave W Ste 339  Saint Paul, MN 55114	Paper Service	No	OFF_SL_12-447_CIP-12-447

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Jessica	Dowell	jessicad@financialonecu.com		1946 118th LN NE Blaine, MN 55449	Electronic Service	No	OFF_SL_12-447_CIP-12-447
Brian	Droege	brian@peakpowermn.com	Peak Power Minnesota LLC	5030 Nokomis Ave Minneapolis, MN 55417	Electronic Service	No	OFF_SL_12-447_CIP-12-447
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 500 Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_12-447_CIP-12-447
Nathan	Franzen	nathan.franzen@westwoodps.com	Westwood Professional Services	7699 Anagram Drive Eden Prairie, Minnesota 55344	Paper Service	No	OFF_SL_12-447_CIP-12-447
Kelsey	Genung	kelsey.genung@xcelenergy.com	Xcel Energy	414 Nicollet Mall, Fl. 6 Minneapolis, MN 55401	Paper Service	No	OFF_SL_12-447_CIP-12-447
Elizabeth	Goodpaster	bgoodpaster@mncenter.org	MN Center for Environmental Advocacy	Suite 206 26 East Exchange Street St. Paul, MN 551011667	Paper Service	No	OFF_SL_12-447_CIP-12-447
Burl W.	Haar	burl.haar@state.mn.us	Public Utilities Commission	Suite 350 121 7th Place East St. Paul, MN 551012147	Electronic Service	Yes	OFF_SL_12-447_CIP-12-447
Josephine	Hubbard	johubbard@comcast.net		7730 Mississippi Lane Brooklyn Park, MN 55444	Electronic Service	No	OFF_SL_12-447_CIP-12-447
Jan	Hubbard	jan.hubbard@comcast.net		7730 Mississippi Lane Brooklyn Park, MN 55444	Electronic Service	No	OFF_SL_12-447_CIP-12-447
Anne	Hunt	anne.hunt@ci.stpaul.mn.us	City of Saint Paul	390 City Hall 15 West Kellogg Boulevard Saint Paul, MN 55102	Electronic Service	No	OFF_SL_12-447_CIP-12-447

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Ralph	Jacobson	N/A	Minnesota Solar Energy Industries Association	2512 33rd Ave S #2  Minneapolis, MN 55406	Paper Service	No	OFF_SL_12-447_CIP-12-447
Tom	Jandric	tomejandric@yahoo.com	Sundial Solar	1485 Portland Ave  ST. Paul, Minnesota 55104	Paper Service	No	OFF_SL_12-447_CIP-12-447
Heidi	Joos	sbear175@visi.com		3105 W 40th St  Minneapolis, MN 55410	Electronic Service	No	OFF_SL_12-447_CIP-12-447
Michael	Kampmeyer	mkampmeyer@tenksolar.com		260 Salem Church Road  Sunfish Lake, MN 55118	Electronic Service	No	OFF_SL_12-447_CIP-12-447
John	Kearney	jmkearney@MnSEIA.org	MnSEIA	2512 33rd Ave South  Minneapolis, MN 55406	Paper Service	No	OFF_SL_12-447_CIP-12-447
Michael	Kemper	energyuown@gamil.com		2242 Matterhorn Ln  Saint Paul, MN 55119	Electronic Service	No	OFF_SL_12-447_CIP-12-447
John	Kluempke	jwkluempke@winlectric.com	Elk River Winlectric	12777 Meadowvale Rd  Elk River, MN 55330	Electronic Service	No	OFF_SL_12-447_CIP-12-447
Jon	Kramer	jk2surf@aol.com	Sundial Solar	4708 york ave. S  Minneapolis, MN 55410	Electronic Service	No	OFF_SL_12-447_CIP-12-447
Wayne	LaForge	wlfsundial@aol.com		12350 69th ave n  Maple Grove, MN 55369	Paper Service	No	OFF_SL_12-447_CIP-12-447
John	Lindell	agorud.ecf@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	Yes	OFF_SL_12-447_CIP-12-447

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Joshua	Low	joshua.low@sierraclub.org		2327 E Franklin Ave, Suite 1  Minneapolis, Minnesota 55405-2916	Paper Service	No	OFF_SL_12-447_CIP-12-447
Rebecca	Lundberg	rebecca.lundberg@powerfullygreen.com	Powerfully Green	11451 Oregon Ave N  Champlin, MN 55316	Electronic Service	No	OFF_SL_12-447_CIP-12-447
Bridget	McLaughlin	bmclaughlin@mncee.org	Center for Energy & Environment	212 3rd Ave N, Suite 560  Minneapolis, MN 55401	Paper Service	No	OFF_SL_12-447_CIP-12-447
Philip	Miller	pxmiller2@gmail.com		3405 4th Ave South  Minneapolis, MN 55408	Electronic Service	No	OFF_SL_12-447_CIP-12-447
Vernon	Morris	spence.morris@gmail.com	Sundial Solar	2409 Aldrich ave. so.  Minneapolis, MN 55405	Paper Service	No	OFF_SL_12-447_CIP-12-447
Martin	Morud	mmorud@livinggreenrenewables.com		5115 45th Ave S  Minneapolis, MN 55417	Paper Service	No	OFF_SL_12-447_CIP-12-447
Tom	Murphy	tmmurphymn@gmail.com		15 W. Baker St.  Saint Paul, Minnesota - MN 55107	Paper Service	No	OFF_SL_12-447_CIP-12-447
Elizabeth	Oppenheimer	lizopp@gmail.com		4225 41st Ave S  Minneapolis, MN 55406	Paper Service	No	OFF_SL_12-447_CIP-12-447
Mark	Phillips	Mark.phillips@state.mn.us	MN Dept of Employment and Economic Development	1st National Bank Building 332 Minnesota Street, Suite E200 St. Paul, MN 55101	Electronic Service	No	OFF_SL_12-447_CIP-12-447
Donna	Pickard	dpickard@aladdinsolar.com	Aladdin Solar	1215 Lilac Lane  Excelsior, MN 55331	Electronic Service	No	OFF_SL_12-447_CIP-12-447

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Scott	Randall	scott@apexsolar.co	Apex Solar	1025 Minnesota Blvd SE  St. Cloud, Minnesota 56304	Paper Service	No	OFF_SL_12-447_CIP-12-447
William L	Richmond	brichmond@silicon-energy.com	Silicon Energy	11168 Sumter Circle  Bloomington, MN 55438	Paper Service	No	OFF_SL_12-447_CIP-12-447
Brian	Ross	bross@crplanning.com	CR Planning, Inc.	2634 Vincent Avenue North  Minneapolis, MN 55411	Electronic Service	No	OFF_SL_12-447_CIP-12-447
Jesse	Royer	jesse@rreal.org		2330 Dancing Wind Rd SW Ste 2  Pine River, MN 56474	Electronic Service	No	OFF_SL_12-447_CIP-12-447
Eric	Sandeen	sandeen@sandeen.net		1722 Scheffer Avenue  Saint Paul, MN 55116	Paper Service	No	OFF_SL_12-447_CIP-12-447
Michelle	Schroeder	sustainableike@hotmail.com		601 Ridgewood Ave., #103  Minneapolis, MN 55403	Paper Service	No	OFF_SL_12-447_CIP-12-447
Tony	Sertich	N/A	Iron Range Resources	4261 Highway 53 S PO Box 441 Eveleth, MN 55734-0441	Paper Service	No	OFF_SL_12-447_CIP-12-447
Nicole	Severson	nicole.severson9@gmail.com		2900 James Ave S Apt B  Minneapolis, mn 55408	Electronic Service	No	OFF_SL_12-447_CIP-12-447
Gary	Shaver	N/A	Silicon Energy	3506 124th St NE  Marysville, WA 98271	Paper Service	No	OFF_SL_12-447_CIP-12-447
Previn	Solberg	psolberg1@msn.com		11981 Midway St NE  Blaine, MN 55449	Electronic Service	No	OFF_SL_12-447_CIP-12-447

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Richard	Szydlowski	N/A	Center for Energy & Environment	212 3rd Ave N Ste 560 Minneapolis, MN 55401-1459	Paper Service	No	OFF_SL_12-447_CIP-12-447
SaGonna	Thompson	Regulatory.Records@xcelenergy.com	Xcel Energy	414 Nicollet Mall FL 7 Minneapolis, MN 554011993	Electronic Service	No	OFF_SL_12-447_CIP-12-447
Greg	Topel	N/A	International Brotherhood of Electrical Workers	503 E 16th St Hibbing, MN 55746	Paper Service	No	OFF_SL_12-447_CIP-12-447
Mouli	Vaidyanathan	mouli@mouliengg.com		655 Lexie Court Eagan, MN 55123	Paper Service	No	OFF_SL_12-447_CIP-12-447
Sam	Villella	sdvillella@gmail.com		10534 Alamo Street NE Blaine, MN 55449	Electronic Service	No	OFF_SL_12-447_CIP-12-447
Gary	Waryan	garywaryan@gmail.com		3016 Bryant S 2nd Floor Minneapolis, Minnesota 55408	Paper Service	No	OFF_SL_12-447_CIP-12-447
Daniel	Williams	DanWilliams.mg@gmail.com		11451 Oregon Ave N Champlin, MN 55316	Electronic Service	No	OFF_SL_12-447_CIP-12-447
Aaron	Wood	outcoldcrow@gmail.com	Sundial Solar	350 18th Ave N Hopkins, MN 55343	Paper Service	No	OFF_SL_12-447_CIP-12-447
sheila	sweeney	sheilasweeney@mac.com		1559 fairmount avenue saint paul, mn 55105	Paper Service	No	OFF_SL_12-447_CIP-12-447

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George	Agriesti		Minnesota Power	30 W Superior St  Duluth, MN 55802	Paper Service	No	SPL_SL_CIP-DOC-SPECIAL CIP SERVICE LIST
Julie Rae	Ambach	jambach@shakopeeutilities.com	Shakopee Public Utilities	255 Sarazin St  Shakopee, MN 55379	Electronic Service	No	SPL_SL_CIP-DOC-SPECIAL CIP SERVICE LIST
Julia	Anderson	Julia.Anderson@ag.state.mn.us	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota St St. Paul, MN 551012134	Electronic Service	No	SPL_SL_CIP-DOC-SPECIAL CIP SERVICE LIST
John	Bailey	bailey@ilsr.org	Institute For Local Self-Reliance	1313 5th St SE Ste 303  Minneapolis, MN 55414	Electronic Service	No	SPL_SL_CIP-DOC-SPECIAL CIP SERVICE LIST
Tom	Balster	tombalster@alliantenergy.com	Interstate Power & Light Company	PO Box 351 200 1st St SE Cedar Rapids, IA 524060351	Paper Service	No	SPL_SL_CIP-DOC-SPECIAL CIP SERVICE LIST
William	Black	bblack@mmua.org	MMUA	Suite 400 3025 Harbor Lane North Plymouth, MN 554475142	Electronic Service	No	SPL_SL_CIP-DOC-SPECIAL CIP SERVICE LIST
Christina	Brusven	cbrusven@fredlaw.com	Fredrikson & Byron, P.A.	200 S 6th St Ste 4000  Minneapolis, MN 554021425	Electronic Service	No	SPL_SL_CIP-DOC-SPECIAL CIP SERVICE LIST
Allen	Carlson		Dept of Planning & Econ Dev	City of St Paul 25 W 4th St St. Paul, MN 55102	Paper Service	No	SPL_SL_CIP-DOC-SPECIAL CIP SERVICE LIST
Gary	Chesnut	gchesnut@agp.com	AG Processing Inc. a cooperative	12700 West Dodge Road PO Box 2047 Omaha, NE 681032047	Paper Service	No	SPL_SL_CIP-DOC-SPECIAL CIP SERVICE LIST
Gary	Connett		Great River Energy	12300 Elm Creek Blvd N  Maple Grove, MN 553694718	Paper Service	No	SPL_SL_CIP-DOC-SPECIAL CIP SERVICE LIST
George	Crocker	gwillc@nawo.org	North American Water Office	PO Box 174  Lake Elmo, MN 55042	Paper Service	No	SPL_SL_CIP-DOC-SPECIAL CIP SERVICE LIST

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Jill	Curran	jcurran@mnychamber.com	Minnesota Waste Wise	400 Robert Street North Suite 1500 St. Paul, Minnesota 55101	Electronic Service	No	SPL_SL__CIP-DOC- SPECIAL CIP SERVICE LIST
Jeffrey A.	Daugherty	jeffrey.daugherty@centerpointenergy.com	CenterPoint Energy	800 LaSalle Ave  Minneapolis, MN 55402	Electronic Service	No	SPL_SL__CIP-DOC- SPECIAL CIP SERVICE LIST
Steve	Downer	sdowner@mmua.org	MMUA	3025 Harbor Ln N Ste 400  Plymouth, MN 554475142	Electronic Service	No	SPL_SL__CIP-DOC- SPECIAL CIP SERVICE LIST
Chris	Duffrin	chrisd@thenec.org	Neighborhood Energy Connection	624 Selby Avenue  St. Paul, MN 55104	Electronic Service	No	SPL_SL__CIP-DOC- SPECIAL CIP SERVICE LIST
Jana	Emery	jemery@otpc.com	Otter Tail Power Company	216 S Cascade St PO Box 496 Fergus Falls, MN 56538	Electronic Service	No	SPL_SL__CIP-DOC- SPECIAL CIP SERVICE LIST
Jim	Erchul		Daytons Bluff Neighborhood Housing Sv.	823 E 7th St  St. Paul, MN 55106	Paper Service	No	SPL_SL__CIP-DOC- SPECIAL CIP SERVICE LIST
Greg	Ernst	gaernst@q.com	G. A. Ernst & Associates, Inc.	2377 Union Lake Trl  Northfield, MN 55057	Paper Service	No	SPL_SL__CIP-DOC- SPECIAL CIP SERVICE LIST
Melissa S	Feine	melissa.feine@semcac.org	SEMCAAC	PO Box 549 204 S Elm St Rushford, MN 55971	Electronic Service	No	SPL_SL__CIP-DOC- SPECIAL CIP SERVICE LIST
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 500  Saint Paul, MN 551012198	Electronic Service	No	SPL_SL__CIP-DOC- SPECIAL CIP SERVICE LIST
Jason	Fisher	N/A	Hibbing Public Utilities	1902 E 6th Ave  Hibbing, MN 55746	Paper Service	No	SPL_SL__CIP-DOC- SPECIAL CIP SERVICE LIST



First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Mark	Glaess		Minnesota Rural Electric Association	11640 73rd Ave N Maple Grove, MN 55369	Paper Service	No	SPL_SL__CIP-DOC-SPECIAL CIP SERVICE LIST
Angela E.	Gordon	angela.e.gordon@lmco.com	Lockheed Martin	1000 Clark Ave. St. Louis, MO 63102	Electronic Service	No	SPL_SL__CIP-DOC-SPECIAL CIP SERVICE LIST
Pat	Green	N/A	N Energy Dev	City Hall 401 E 21st St Hibbing, MN 55746	Paper Service	No	SPL_SL__CIP-DOC-SPECIAL CIP SERVICE LIST
Stephan	Gunn	sgunn@appliedenergygroup.com	Applied Energy Group	1941 Pike Ln De Pere, WI 54115	Electronic Service	No	SPL_SL__CIP-DOC-SPECIAL CIP SERVICE LIST
Burl W.	Haar	burl.haar@state.mn.us	Public Utilities Commission	Suite 350 121 7th Place East St. Paul, MN 551012147	Electronic Service	No	SPL_SL__CIP-DOC-SPECIAL CIP SERVICE LIST
Tony	Hainault	anthony.hainault@co.hennepin.mn.us	Hennepin County DES	701 Fourth Ave. S., Ste 700 Minneapolis, MN 55415-1842	Paper Service	No	SPL_SL__CIP-DOC-SPECIAL CIP SERVICE LIST
Patty	Hanson	phanson@rpu.org	Rochester Public Utilities	4000 E River Rd NE Rochester, MN 55906	Electronic Service	No	SPL_SL__CIP-DOC-SPECIAL CIP SERVICE LIST
Norm	Harold	N/A	NKS Consulting	5591 E 180th St Prior Lake, MN 55372	Paper Service	No	SPL_SL__CIP-DOC-SPECIAL CIP SERVICE LIST
Randy	Hoffman	rhoffman@eastriver.coop	East River Electric Power Coop	121 SE 1st St PO Box 227 Madison, SD 57042	Paper Service	No	SPL_SL__CIP-DOC-SPECIAL CIP SERVICE LIST
Karolanne	Hoffman	kmh@dairy.net	Dairyland Power Cooperative	PO Box 817 La Crosse, WI 54602-0817	Electronic Service	No	SPL_SL__CIP-DOC-SPECIAL CIP SERVICE LIST

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Tom	Holt	tholt@eastriver.coop	East River Electric Power Coop., Inc.	PO Box 227  Madison, SD 57042	Electronic Service	No	SPL_SL__CIP-DOC-SPECIAL CIP SERVICE LIST
Michael	Hoy	mhoy@dakotaelectric.com	Dakota Electric Association	4300 220th St W  Farmington, MN 55024-9583	Electronic Service	No	SPL_SL__CIP-DOC-SPECIAL CIP SERVICE LIST
Anne	Hunt	anne.hunt@ci.stpaul.mn.us	City of Saint Paul	390 City Hall 15 West Kellogg Boulevard  Saint Paul, MN 55102	Paper Service	No	SPL_SL__CIP-DOC-SPECIAL CIP SERVICE LIST
Eric	Jensen	ejensen@iwla.org	Izaak Walton League of America	Suite 202 1619 Dayton Avenue St. Paul, MN 55104	Electronic Service	No	SPL_SL__CIP-DOC-SPECIAL CIP SERVICE LIST
Dave	Johnson	dave.johnson@aeoa.org	Arrowhead Economic Opportunity Agency	702 3rd Ave S  Virginia, MN 55792	Paper Service	No	SPL_SL__CIP-DOC-SPECIAL CIP SERVICE LIST
Dave	Johnson	N/A	Community Action of Minneapolis	2104 Park Ave S  Minneapolis, MN 55404	Paper Service	No	SPL_SL__CIP-DOC-SPECIAL CIP SERVICE LIST
Paula N.	Johnson		Interstate Power and Light Company	200 First Street SE PO Box 351 Cedar Rapids, IA 524060351	Paper Service	No	SPL_SL__CIP-DOC-SPECIAL CIP SERVICE LIST
Larry	Johnston	lw.johnston@smmpa.org	SMMPA	500 1st Ave SW  Rochester, MN 55902-3303	Paper Service	No	SPL_SL__CIP-DOC-SPECIAL CIP SERVICE LIST
Tina	Koecher	tkoecher@mnpower.com	Minnesota Power	30 W Superior St  Duluth, MN 558022093	Electronic Service	No	SPL_SL__CIP-DOC-SPECIAL CIP SERVICE LIST
Heidi	Konynenbelt	hkynonenbelt@otpc.com	Otter Tail Power Company	215 S. Cascade Street, PO Box 496  Fergus Falls, MN 565380496	Electronic Service	No	SPL_SL__CIP-DOC-SPECIAL CIP SERVICE LIST

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Kelly	Lady	kellyl@austinutilities.com	Austin Utilities	400 4th St NE  Austin, MN 55912	Electronic Service	No	SPL_SL__CIP-DOC- SPECIAL CIP SERVICE LIST
Martin	Lepak	N/A	Arrowhead Economic Opportunity	3112 Chuck Center Dr Ste B  Duluth, MN 55806-1154	Paper Service	No	SPL_SL__CIP-DOC- SPECIAL CIP SERVICE LIST
Allan	Lian	alian@mnpower.com	Minnesota Power	30 W Superior St  Duluth, MN 55802	Paper Service	No	SPL_SL__CIP-DOC- SPECIAL CIP SERVICE LIST
John	Lindell	agorud.ecf@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	No	SPL_SL__CIP-DOC- SPECIAL CIP SERVICE LIST
Nick	Mark	nick.mark@centerpointenergy.com	CenterPoint Energy	800 LaSalle Ave  Minneapolis, MN 55402	Electronic Service	No	SPL_SL__CIP-DOC- SPECIAL CIP SERVICE LIST
Pam	Marshall	pam@energycents.org	Energy CENTS Coalition	823 7th St E  St. Paul, MN 55106	Paper Service	No	SPL_SL__CIP-DOC- SPECIAL CIP SERVICE LIST
Scot	McClure		Interstate Power And Light Company	4902 N Biltmore Ln PO Box 77007 Madison, WI 537071007	Paper Service	No	SPL_SL__CIP-DOC- SPECIAL CIP SERVICE LIST
John	McWilliams	jmm@dairy.net	Dairyland Power Cooperative	3200 East Ave SPO Box 817  La Crosse, WI 54601-7227	Electronic Service	No	SPL_SL__CIP-DOC- SPECIAL CIP SERVICE LIST
Brian	Meloy	brian.meloy@leonard.com	Leonard, Street & Deinard	150 S 5th St Ste 2300  Minneapolis, MN 55402	Electronic Service	No	SPL_SL__CIP-DOC- SPECIAL CIP SERVICE LIST
David	Moeller	dmoeller@allete.com	Minnesota Power	30 W Superior St  Duluth, MN 558022093	Electronic Service	No	SPL_SL__CIP-DOC- SPECIAL CIP SERVICE LIST

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Andrew	Moratzka	apm@mcmlaw.com	Mackall, Crouse and Moore	1400 AT&T Tower 901 Marquette Ave Minneapolis, MN 55402	Paper Service	No	SPL_SL__CIP-DOC- SPECIAL CIP SERVICE LIST
Susan K	Nathan	snathan@appliedenergygroup.com	Applied Energy Group	2215 NE 107th Ter  Kansas City, MO 64155-8513	Electronic Service	No	SPL_SL__CIP-DOC- SPECIAL CIP SERVICE LIST
Carl	Nelson	cnelson@mncee.org	Center for Energy and Environment	212 3rd Ave N Ste 560  Minneapolis, MN 55401	Electronic Service	No	SPL_SL__CIP-DOC- SPECIAL CIP SERVICE LIST
Gary	Olson		Product Recovery, Inc.	2605 E Cliff Rd  Burnsville, MN 55337	Paper Service	No	SPL_SL__CIP-DOC- SPECIAL CIP SERVICE LIST
Larry	Oswald	N/A	Great Plains Natural Gas Company	105 W Lincoln Ave PO Box 176 Fergus Falls, MN 56538-9001	Paper Service	No	SPL_SL__CIP-DOC- SPECIAL CIP SERVICE LIST
Kim	Pederson	kpederson@otpc.com	Otter Tail Power Company	215 S Cascade St PO Box 496 Fergus Falls, MN 565380496	Paper Service	No	SPL_SL__CIP-DOC- SPECIAL CIP SERVICE LIST
Audrey	Peer	audrey.peer@centerpointenergy.com	CenterPoint Energy Minnegasco	800 Lasalle Avenue - 14th Floor  Minneapolis, Minnesota 55402	Electronic Service	No	SPL_SL__CIP-DOC- SPECIAL CIP SERVICE LIST
Brian	Peterson		City of Red Wing	PO Box 34 315 W 4th St Red Wing, MN 55066	Paper Service	No	SPL_SL__CIP-DOC- SPECIAL CIP SERVICE LIST
Lisa	Pickard	lpickard@minnkota.com	Minnkota Power Cooperative	1822 Mill Rd PO Box 13200 Grand Forks, ND 582083200	Paper Service	No	SPL_SL__CIP-DOC- SPECIAL CIP SERVICE LIST
Bill	Poppert		Technology North	2433 Highwood Ave  St. Paul, MN 55119	Paper Service	No	SPL_SL__CIP-DOC- SPECIAL CIP SERVICE LIST

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Kent	Ragsdale	kentagsdale@alliantenergy.com	Alliant Energy-Interstate Power and Light Company	P.O. Box 351 200 First Street, SE Cedar Rapids, IA 524060351	Paper Service	No	SPL_SL__CIP-DOC-SPECIAL CIP SERVICE LIST
Tom	Smilanich		Passive Concepts	228 6th Ave N  South St. Paul, MN 55075	Paper Service	No	SPL_SL__CIP-DOC-SPECIAL CIP SERVICE LIST
Sara	Smith	sarasmith@metc.state.mn.us	Metropolitan Council	390 Robert St N  St. Paul, MN 55101-1805	Paper Service	No	SPL_SL__CIP-DOC-SPECIAL CIP SERVICE LIST
Ken	Smith	ken.smith@districtenergy.com	District Energy St. Paul Inc.	76 W Kellogg Blvd  St. Paul, MN 55102	Electronic Service	No	SPL_SL__CIP-DOC-SPECIAL CIP SERVICE LIST
Narv	Somdahl	N/A	Citizen	5100 W 102nd St Apt 209  Bloomington, MN 55437-2567	Paper Service	No	SPL_SL__CIP-DOC-SPECIAL CIP SERVICE LIST
Leo	Steidel	N/A	The Weidt Group	5800 Baker Rd  Minnetonka, MN 55345	Paper Service	No	SPL_SL__CIP-DOC-SPECIAL CIP SERVICE LIST
John	Steinhoff		Resource Solutions, Inc.	318 Kensington Drive  Madison, WI 53704	Paper Service	No	SPL_SL__CIP-DOC-SPECIAL CIP SERVICE LIST
Sheldon	Strom		Center For Energy And Environment	212 3rd Ave N Ste 560  Minneapolis, MN 554011459	Paper Service	No	SPL_SL__CIP-DOC-SPECIAL CIP SERVICE LIST
Dale	Sullivan	N/A	Ramsey Action Programs	3315 Labore Rd  Vadnais Heights, MN 55110	Paper Service	No	SPL_SL__CIP-DOC-SPECIAL CIP SERVICE LIST
Richard	Szydlowski	N/A	Center for Energy & Environment	212 3rd Ave N Ste 560  Minneapolis, MN 55401-1459	Paper Service	No	SPL_SL__CIP-DOC-SPECIAL CIP SERVICE LIST

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SaGonna	Thompson	Regulatory.Records@xcelenergy.com	Xcel Energy	414 Nicollet Mall FL 7  Minneapolis, MN 554011993	Electronic Service	No	SPL_SL__CIP-DOC-SPECIAL CIP SERVICE LIST
Steve	Tomac	N/A	Basin Electric Power Cooperative	1717 E Interstate Ave  Bismark, ND 58501	Paper Service	No	SPL_SL__CIP-DOC-SPECIAL CIP SERVICE LIST
Lisa	Wilson	lisa.wilson@enbridge.com	Enbridge Energy Company, Inc.	1409 Hammond Ave FL 2  Superior, WI 54880	Electronic Service	No	SPL_SL__CIP-DOC-SPECIAL CIP SERVICE LIST
Robyn	Woeste	robynwoeste@alliantenergy.com	Interstate Power and Light Company	200 First St SE  Cedar Rapids, IA 52401	Paper Service	No	SPL_SL__CIP-DOC-SPECIAL CIP SERVICE LIST