



National Action Plan for Energy Efficiency

Regulatory Impact in Minnesota and the Midwest

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ACEEE National Conference on Energy Efficiency as a
Resource

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Minnesota Energy Efficiency Legislation - 2007

- Next Generation Energy Act - 2007
 - Converts Conservation Improvement Program from “spending” to “savings”
 - Energy Savings Goals - 1.5 percent of gross retail energy sales annually beginning in 2010.
 - It is to be accomplished through conservation programs, rate design and “other methods”
 - It requires an inventory of most effective conservation programs and technologies to guide utilities
 - It allows for the award of grants for R&D that identify new energy conservation technologies and strategies

Next Generation Energy Act – Cont'd

- Requires the PUC to establish criteria and standards for decoupling
 - Authorizes pilot programs for up to 3 years
- Establishes greenhouse gas emissions goal
 - 15% below 2005 baseline by 2015
 - 30% below by 2025
 - 80% below by 2050
- Requires PCA and DOC to develop a plan by which to achieve these goals
 - Agencies have initiated stakeholder process to look at all strategies including Energy Efficiency.

Renewable Energy Standard

- Sets mandatory standards for renewable energy for all utilities:

Year	Xcel	Other
2010	15	-
2012	18	12
2016	25	17
2020	30	20
2025	-	25



Impact Of This Legislation

- Recent utility announcement in Big Stone coal plant proposal:
 - “Although Great River Energy considered additional renewables and cost-effective conservation and energy efficiency measures in its original analysis, the implications of the aggressive new state requirements on the Great River Energy’s resource needs will be significant.”

Press release, Great River Energy

- Recent utility request for delayed resource plan filing:
 - Xcel Notice of Changed Circumstances, citing “significant new requirements . . . enacted by 2007 Minnesota Legislature . . . “

July 20, 2007 letter from Xcel Energy requesting extension of filing dates

Regional Initiatives

Midwest Demand Response Initiative (MWDRI):

- Create the knowledge base among Midwestern regulators, staff and stakeholders to build a price-responsive retail market
- To build the *will* to do better

Midwest Demand Response Work Group (MDRWG):

- Evaluate and provide recommendations to the Midwest ISO on the potential of demand response mechanisms in the Day 2 MISO market system.

Conclusions

- *“Concerted efforts by customers, utilities, regulators, and other stakeholders are needed to slow energy demand growth in a wise, cost-effective manner”*

Executive Summary, NAPEE

- The 2007 Minnesota Energy Savings Goals builds on Minnesota’s existing conservation program. It will effectively double the amount of energy saved by Minnesota’s utilities by transitioning Minnesota from energy efficiency spending goals to energy efficiency savings goals.