



## Background and Recent Activity: Combined Heat and Power

September 3, 2014

Presenter: Jessica Burdette, Conservation Improvement Program  
(CIP) Supervisor

---

# Minnesota: Statewide Energy Policy Objectives

## Conservation Improvement Program (CIP)

- MN Statute 216B.241
- Utility Energy Efficiency and Conservation Goals
  - 1.5% = Electric
  - 1% = Natural Gas

## Renewable Energy Standard (RES)

- MN Statute 216C.05, Subd. 2
- Portfolio standard = 25% by 2025

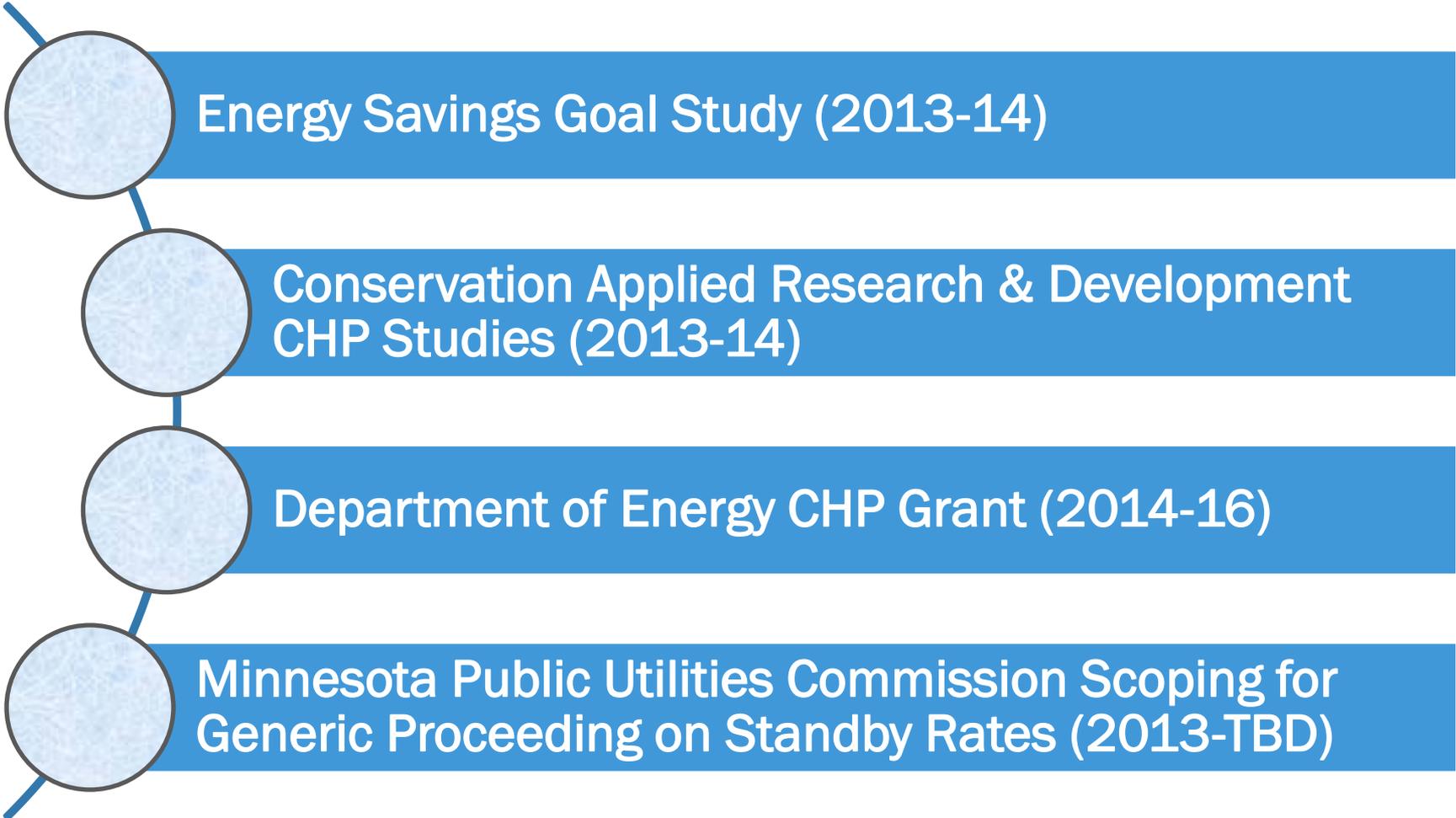
## Integrated Resource Planning (IRP)

- MN Statute 216B.2422
- Minnesota Public Utilities Commission reviews and approves 15 year resource plans for regulated utilities every two years

## Greenhouse Gas Emissions Goals (GHG)

- MN Statute 216H.02
- 15% by 2015
- 30% by 2025
- 80% by 2050

# Overview of Recent CHP Work



# Energy Savings Goal Study (ESG)

## Legislation

H.F. 729, 4th Engrossment, Article 12, Section 8 established the Energy Savings Goal Study (ESG)

- The Department of Commerce was charged with completing this work

## Stakeholder Process

Commerce conducted stakeholder meetings on various topics in late 2013:

- Industrial energy efficiency
- Combined heat and power

## Report

Report and ESG findings presented to the Minnesota Legislature in 2014:

- Recommendations were made for continued evaluation of CHP

# ESG CHP Key Findings

- The [policy objective](#) for greater CHP implementation and eligibility in CIP needs to be better defined
- [Stand-by rates](#) identified as a barrier to increased CHP implementation
- More detailed data on [CHP potential](#) in Minnesota is needed
- Any CHP program or standard should [reduce risk to customers and utilities](#), and have long-term [achievement objectives](#) focusing on system reliability and utility/operator relationships
- Questions remain regarding [CHP system ownership structures](#) from customer and utility perspectives

# CHP Studies – Conservation Applied Research and Development (CARD)

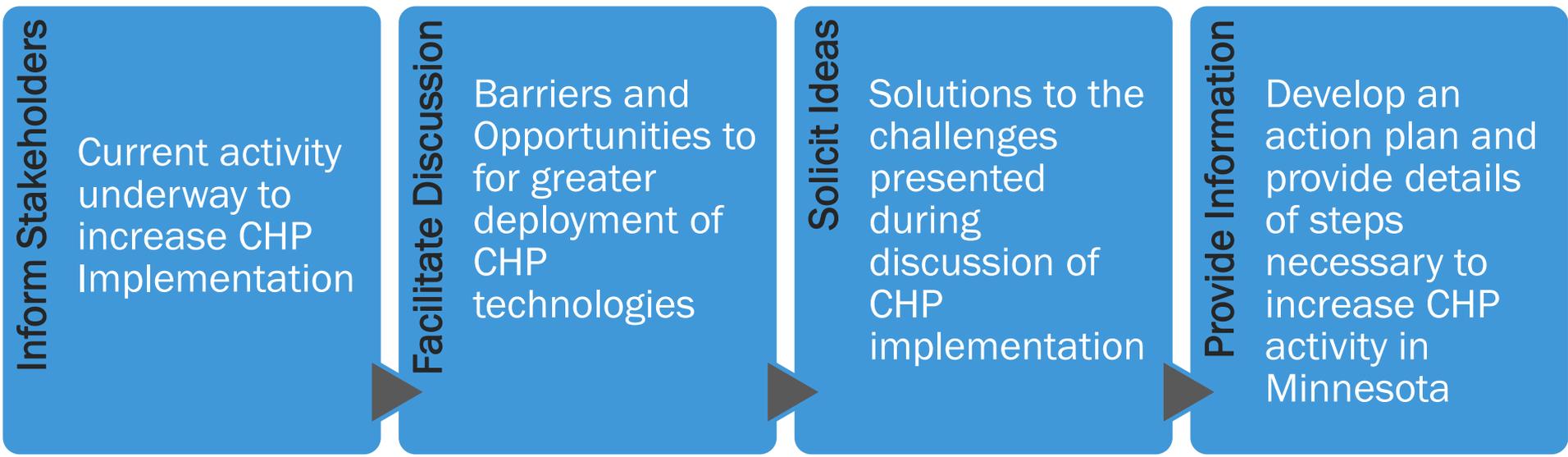
- *CHP Standby Rates and Net Metering*
  - Conducted by Energy Resources Center (University of Illinois)
  - Completed April 2014
- Study analyzes the effects of Minnesota’s standby rates and net metering rules on CHP development and recommends potential policy changes that could be made to rate structures

# CHP Studies – CARD (cont'd)

- *Minnesota CHP Policies and Potential*
  - Conducted by FVB Energy
  - Completed August 2014
- Study evaluates Minnesota's CHP regulatory issues and policies
- Presents an up-to-date analysis of CHP technical and economic potential in the state

# U.S. Department of Energy (DOE) CHP Project

Commerce was awarded a DOE grant in 2014 to conduct stakeholder engagement in Minnesota regarding CHP



# DOE CHP Project Process

Phase 1

- **Strategic Planning**
- Feb – May 2014

Phase 2

- **Stakeholder Engagement**
- May 2014 – Feb 2015

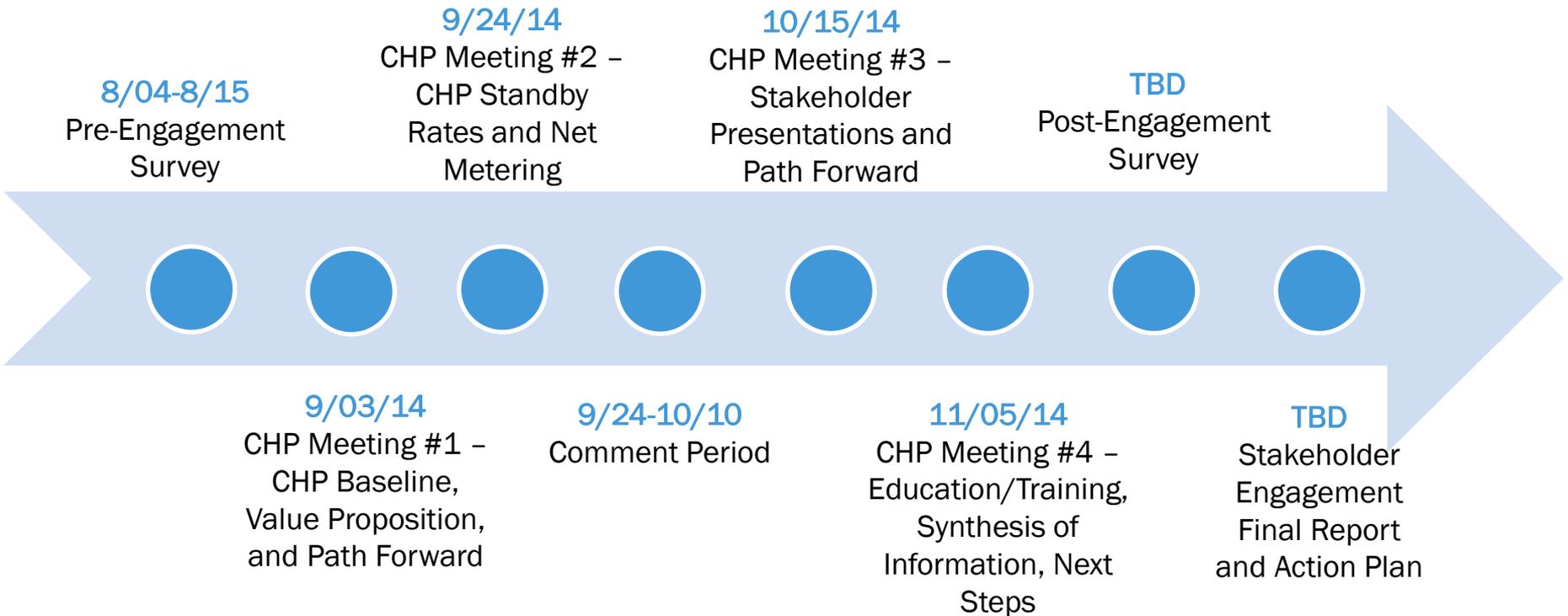
Phase 3

- **Action Plan**
- Feb – Dec 2015

Phase 4

- **Dissemination of Results**
- Dec 2015 – Jan 2016

# DOE CHP Project Process: Stakeholder Engagement



# Generic Proceeding on Standby Rates: Docket E-017/M-13-609

- The Minnesota Public Utilities Commission directed Commerce to engage in discussions with utilities and other stakeholders on the need and appropriate scope for a generic proceeding on standby rates
- Not part of the DOE CHP stakeholder process, but will be relevant to the process (will focus on standby rates for all DG - not just CHP)
- Meeting will be held at the Maplewood Public Library on 9/11/14 from 12:30-4:30PM
- Contact Lise Trudeau for more information: [lise.trudeau@state.mn.us](mailto:lise.trudeau@state.mn.us)

# Questions?

## Contact:

- Jessica Burdette  
[jessica.burdette@state.mn.us](mailto:jessica.burdette@state.mn.us)  
or 651-539-1871
- Adam Zoet  
[adam.zoet@state.mn.us](mailto:adam.zoet@state.mn.us)  
or 651-539-1798