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State Energy Policy Goal (MN Statutes 216B.2401)

The legislature finds that energy savings are an energy resource, and that cost-effective energy savings are preferred over all other energy resources. The legislature further finds that cost-effective energy savings should be procured systematically and aggressively in order to reduce utility costs for businesses and residents, improve the competitiveness and profitability of businesses, create more energy-related jobs, reduce the economic burden of fuel imports, and reduce pollution and emissions that cause climate change. Therefore, it is the energy policy of the state of Minnesota to achieve annual energy savings equal to at least 1.5 percent of annual retail energy sales of electricity and natural gas through cost-effective energy conservation improvement programs and rate design, energy efficiency achieved by energy consumers without direct utility involvement, energy codes and appliance standards, programs designed to transform the market or change consumer behavior, energy savings resulting from efficiency improvements to the utility infrastructure and system, and other efforts to promote energy efficiency and energy conservation.

In order to:

Reduce utility costs for businesses and residents
Improve the competitiveness and profitability of businesses
Create more energy-related jobs
Reduce the economic burden of fuel imports
Reduce pollution and emissions that cause climate change

The Energy Policy of the State of Minnesota and Supporting Examples:

To achieve annual energy savings equal to at least 1.5 percent of annual retail energy sales of electricity and natural gas through cost-effective energy conservation improvement programs	CIP program implementation that provides financial incentives for high efficiency equipment implementation
Rate design	Decoupling and/or revenue stabilization, inverted block rate structures, time-of-use rate structures, pricing indicators
Energy efficiency achieved by energy consumers without direct utility involvement	Independent sustainability initiatives through local units of government and regional initiatives, voluntary green building standards (LEED, Energy Star), efficiency investments and energy services offered outside of utility CIP programs
Energy codes and appliance standards	Statewide energy codes, Sustainable Buildings 2030 (energy standard), etc.

Programs designed to transform the market or change consumer behavior	CIP programs: energy audits, benchmarking incentives, trade ally and manufacturer; research for designing future and/or improved CIP programs
Energy savings resulting from efficiency improvements to the utility infrastructure and system	Turbine upgrades, line loss reductions, capacitor and transformer retrofits, system automation activities, etc.
Other efforts to achieve energy efficiency and energy conservation	GreenStep Cities, Weatherization Assistance Program

Additional Examples and Mechanisms for Achieving State Energy Policy Goals:

Customers	Commercial and industrial customers can better understand their energy use patterns and costs in order to prioritize efficiency investments; Multi Family Tenants in a building that pay their own utility bills but do not own the appliances, etc. Common areas are paid for by the landlord. Enables the landlord to make informed building wide EE improvement/investment decisions.
State Agencies	MN Pollution Control Agency to assess carbon emissions reductions and air quality standards; MN Department of Commerce for EE achievements toward the statewide 1.5% and the CIP 1.5% goals and Resource Plan evaluations
Local Units of Government	Municipal sustainability initiatives and action plans, local benchmarking ordinances for commercial facilities; community level data allows cities to measure their progress towards sustainability goals
Researchers	Allows stakeholders to design future CIP programs that are designed to effectively engage a specific customer segment.
Utility Vendors and Program Implementers	Program Implementers such as measurement and verification specialists, O-Power behavioral programs, energy auditor service providers, Wisconsin Energy Conservation Corporation residential program implementers, etc.
Trade Allies	HVAC installers, lighting contractors, insulation installers, efficiency technology product manufacturers, NEMA premium motor distributors, etc.