



# **CIP Operations Overview**

For: Legislative Energy Commission

7/31/17

# CIP Framework from Administrator perspective

- Legislation provides the guideposts
  - EE is a low-cost resource
  - EE benefits customers and environment
  - Energy providers play a pivotal role in EE implementation
- In practice, cost effective EE means:
  - businesses are more competitive
  - residential customers see lower bills
  - Energy providers take a holistic role in managing energy supply
- Cost effectiveness – “total resource” view compares:
  - Cost of equipment purchases
  - Cost of program delivery
  - Benefits (value) of avoided energy supply, including environmental factors

## How Minnesota Performs

- Consistently achieves top-tier results compared to other states
- Yet, program costs are modest – CIP is delivering value
- Xcel recognized: 1 of only 2 Midwest utilities in top 10
- 2016 Program costs and benefits

	Electric EE	Gas EE	Demand Response
Total Cost	\$94,608,872	\$13,805,804	\$6,537,433
Net Avoided Energy Cost	\$283,984,931	\$41,639,278	\$26,618,964

- Recovery: ~ 0.4 cents per kWh and 3 cents per therm

# Accountability

- Approval and Review process
- Savings are verified
  - Onsite inspection
  - 3<sup>rd</sup> party evaluation
  - Pre/post monitoring
- Long history of working with stakeholders to meet community needs
  - Multi-family EE program a recent example
- Energy efficiency is key tool for a cleaner and cheaper energy system
  - Always on the watch for innovations that will maintain that role

