

Draft EVAC recommendation on Time of Use Pilot

EVAC recognizes that time-of-use pricing (and ultimately real-time pricing) and the advanced metering infrastructure it requires is an important element of our municipal and regional strategy to eliminate dependency on fossil fuels and move to a fully renewable sector. Time-of-use pricing incentivizes energy use at times when it is cheap and abundant, helping reduce the need to build peaking power plants (often powered by fracked gas) in the short run and providing a pathway over the long-run for energy users to match their energy usage to the times when abundant renewable energy is being produced by wind and solar. However, a pricing system that provides an incentive to shift energy usage to off-peak times and creates a penalty for using energy during peak times can only work if energy users have both the awareness/information and the tools and ability needed to shift their time of energy use. Especially in low-income communities and communities of color that face a long history of disinvestment and have been inadequately served by utility energy programs, time-of-use pricing carries a risk of raising energy costs for those low-income customers whose energy use is concentrated in peak periods and who do not have the awareness or the ability to shift use. This could create backlash that could harm the prospects of time-of-use pricing long-term.

EVAC appreciates Xcel's acknowledgement of the potential significant impact of a pilot focused on the Phillips and Central neighborhoods and the selection of a new pilot area based on feedback from EVAC and other stakeholders. We also deeply appreciate Xcel's acknowledgement of the need to adjust how the Time of Use pilot is rolled out to meet community needs. While the actions taken so far mitigate some of the concerns EVAC has shared, the new pilot area still contains many vulnerable communities who have often not been effectively reached by past utility programs, and are at risk of negative consequences if they do not understand and engage appropriately with the pilot.

We call on Xcel Energy and the Clean Energy Partnership to take the following actions to ensure that the Time-of-Use pricing pilot is fair, accessible, and beneficial to the community, and builds public support – in other words; to ensure that time of use pricing works for Minneapolis:

1. Ensure that communication around the Opt-Out is clear and accessible and ensure that it is really simple to Opt-Out:

- Use a one-step or two step process that can be completed right away, not a long process or one that requires action at multiple times.
- Provide multiple pathways to opt-out, including calling a phone number, click a button on account, send email or text (IVR).
- Make sure the notification process (about the pilot and how to opt out) is available in multiple formats, including the welcome packet, and is included in the standard message that is in all outreach.
- Make sure information on how to opt out is available not just in writing in multiple languages, but also available in an oral/verbal format in multiple languages (especially for the Somali community).

- During/ after the first year, direct targeting of opt-out to folks who are experiencing high costs (along with resources on how to act).

2. Ensure that folks who move into an address in the treatment group after the pilot has started receive a welcome packet with all relevant program information and are included in program engagement.

3. Ensure that customer engagement around time of use is effectively integrated with communication on behavioral changes including participation in current CIP programs:

- EVAC supports the phased plan Xcel is using (Tier 1 is shifting time of use, Tier 2 is shifting intensity of energy during that time, Tier 3 is general conservation), and requests clarity on the timing/ procedure in which these tiers will be used. EVAC supports segmenting advice/ tips based on energy user conditions and behavior.
- When enough data shows that a customer could greatly benefit from CIP program participation, there is concerted effort to help them access CIP programs.

4. Consider using targeted CIP funding and/or franchise fees to provide support to folks most impacted in reducing energy use during peak times. Xcel should maintain active communication with the City of Minneapolis and EVAC about the emerging needs of the most highly impacted pilot participants in order to identify if there are other resources (e.g. CIP program funding, utility franchise fees, etc.) that could be leveraged to target solutions to those individuals.

5. Provide robust data reporting:

- Ensure that data reporting includes analysis of the energy use and financial impact on a range of disaggregated customer groups, including analysis of these impacts within groups as well.
- Xcel should update EVAC/ the Partnership on the datasets that Xcel is already using and the variables that will be measured during the pilot program, including any publicly available data that Xcel is pursuing and how that data will be used.
- Making the analysis conducted publicly available to the extent possible.

6. Build an effective and community-based engagement program in partnership with grassroots organizations:

- It is really important to have realistic expectations of community-based organizations – even if you fund them, they need support and capacity.
- Create contracts that are flexible and acknowledge community engagement constraints.
- Engage and consult with a wide range of groups or types of groups that are relevant to the new pilot geography, including (this list is not meant to be exhaustive, either in types of groups or in terms of the recommended examples provided):
 - Renters groups:
 - Inquilinxs Unidxs (Renters United for Justice)
 - Minneapolis Renters Coalition (neighborhoods & partner orgs)
 - Homeline
 - Faith-based groups:

- New City Church / Walker Church
 - Trinity Lutheran
 - Towfiq Islamic Center
 - All Saints Episcopal Indian Mission
 - Common Ground Meditation Center
- Schools – parent nights, science classes, high School green clubs/ middle school students (the students can interpret for the parents). This could include classroom topics around energy with take-home activities to discuss with parents and materials to send home through school folders:
 - South High School
 - Longfellow Alternative High School
 - Anne Sullivan School
 - Seward Montessori
- Housing assistance organizations:
 - Homeline
 - PRG (affordable housing)
 - City of Lakes Community Land Trust
 - Project for Pride and Living (PPL)
 - Pillsbury United Neighborhoods
 - Alliance Housing
- Block clubs and 3rd precinct Minneapolis police department – National Night Out
- Neighborhood Associations:
 - Corcoran
 - Longfellow
 - Powderhorn Park
 - Seward
- Newspapers:
 - La Matraca – Spanish Language newspaper
 - Longfellow Messenger
 - Corcoran News (online only now)
- Energy Assistance program
- Radio:
 - La Raza - Spanish language radio
 - KALY - Somali language radio
 - KRSM Radio -South Minneapolis community radio
- East Lake Library
- Midtown Farmer's Market
- Little Brothers Friends of the Elderly
- Park and Recreation Centers:
 - Corcoran Park
 - Powderhorn Park
 - Matthews Park
- Midtown YWCA

7. Actively support program participants in securing LIHEAP (if they qualify) so that they get protection - this should be coupled with evaluation of the adequacy of LIHEAP funding to avoid blowback if eligible families are rejected by LIHEAP due to lack of funding:

- Include information about LIHEAP in the welcome packet.
- Ensure that community engagement partners are equipped to help people engage in the LIHEAP process – if possible, actually helping people sign up, and at minimum help refer people to LIHEAP provider. Communication and support of engagement around LIHEAP must consider the timeline of participation and awards in the MIHEAP program and the correlation of those timelines with financial impacts created by the pilot.
- Combine data sources (Home Energy Squad data) to identify who else may be eligible for LIHEAP.
- Looking at census tract data to identify if we need to focus on who to engage in LIHEAP – doing mailers/ door-to door to reach people.

8. Use one-on-one processes for supporting folks with high peak-period use (likely to experience high increased costs) and who are not shifting their behavior:

- Develop a one-on-one engagement strategy with users who have high peak-period use during the first year, especially if they are not shifting their behavior.
- Collect data on barriers as to why users cannot shift time of use during one-on-one engagement.
- Integrate one-on-one interaction with how to use online tools to understand energy use.
- Facilitate tiered approach (Load shifting 1st, then less energy intensive alternatives during peak, then general conservation) in how we support folks one-on-one.
- Use focus groups or surveys of a subset of customers to understand barriers and needs.