



# Clean Energy Partnership Q2 Board Meeting June 2, 2021



## 4. Work Plan Updates



## Partnership Activity EE.5

Support Residential Energy Disclosure Policies By Making Data Accessible With Tools

*Time-of-Rent Energy Cost Disclosure Update*



## Board Requests for Q2 meeting

1. Utilities each summarize what they filed on March 1 for the PUC Docket No. E,G-999/M-19-505 with specific attention to Question 7c within, regarding which additional use cases should be considered by the PUC.
2. Compare and contrast the utility processes that 1-3 unit and 4+ unit rental building owners could navigate to access, compile, and disclose utility energy data for ordinance compliance.



## 5+ Unit Building Energy Disclosure Process

Property owner or manager...

1. Creates an account in each utility's new data aggregation webtool
2. Requests whole building data for all meters by following prompts and using help resources (quick start guide, FAQ, how-to video, City 311 line, utility email assistance)
3. Inputs the building's size (square feet), total number of bedrooms, and total number of units
4. Reviews the *Energy Cost Report* created by the webtool
5. Provides prospective tenants with a unique URL to the building's *Energy Cost Report*

# Example: Quick Start Guide and CenterPoint's Energy Data Portal (EDP)

Step 1 Step 2 Step 3 Step 4 Step 5 Step 6 Step 7 Step 8

## STEP 7 Review Natural Gas Annual Cost Report

Select "View Report"

Review the Annual Natural Gas Cost Estimate report in the pop-up window to ensure the data you entered on previous screens is correct and that energy cost estimates have been successfully generated.

The screenshot shows the 'Energy & Cost Detail' section of the portal. A green callout box highlights the 'View Report' button. A second callout box points to a pop-up window titled 'Annual Natural Gas Cost Estimate' which contains the following information:

March 24, 2021

The following information is provided as part of CenterPointEnergy's energy benchmarking toolkit to help users access and better understand their property's overall energy use and costs.

This document provides an estimate for annual natural gas energy costs per square foot and per bedroom using the property's most recent 24 months of aggregated natural gas energy use data, and total floor area and total bedrooms provided by the property's owner or manager.

Natural gas utility bills at a property can vary based on how the property's natural gas uses and costs are distributed amongst property management and residents. An individual customer's natural gas utility bill will also vary seasonally as natural gas equipment use increases in colder months.

Weatherization improvements and energy efficient appliances can help reduce a property's natural gas use and costs, visit [www.CenterPointEnergy.Com/SaveEnergy](http://www.CenterPointEnergy.Com/SaveEnergy) to learn more.

Property name: Cost-2.1  
 Utility service address(es): 8080 EDEN RD, EDEN PRAIRIE MN, 55344-5309

Property natural gas energy use information:  
 Energy use period beginning: 07/01/2017  
 Energy use period ending: 07/01/2019  
 Total average annual natural gas energy use Total: 19,876 therms per year  
 Total average annual natural gas cost(\$)<sup>1</sup>: \$28,816.00 per year

Property characteristics:  
 Total Floor Area (sqft)<sup>2</sup>: 60,000  
 Property Total Dwelling Units<sup>2</sup>: 60  
 Property Total Bedrooms<sup>2</sup>: 90

Property natural gas energy cost estimate:  
 \$0.48 per sqft/year  
 \$320.18 per bedroom/year

Additional notes from property owner or manager

<sup>1</sup> Total energy use and costs associated with the property (as defined by the utility service addresses displayed above) are provided by CenterPoint Energy. These aggregate costs represent costs associated with all gas use at the building, including common areas. Aggregated costs do not include applicable local, state or federal taxes.

<sup>2</sup> CenterPoint cannot verify the information provided by property owners and managers; any errors in the reporting would affect the accuracy of the reported metrics of cost per square foot or the cost per bedroom.

CenterPoint Energy has provided this information to an authorized individual in accordance with our Data Aggregation and Release Policy. CenterPoint Energy shall have no liability for misuse of data after it is released through this portal.



## 1-4 Unit Building Energy Disclosure Process *(Concept Under Analysis)*

Property owner or manager need not take action

### City and Utilities

1. An annual list of 1-4 unit rental building addresses and characteristics is created by the City and provided to the utilities
2. Whole building energy data is compiled by each utility for each building
3. The spectrum of energy costs is analyzed by each utility and each building is then categorized into a usage range within that spectrum
4. The list of buildings is submitted back to the City by each utility, with now-added energy cost range definitions and assignment for each address
5. Address-specific energy cost characteristics are published by the City

*NOTE: This concept and particularly Step 4 have pending regulatory considerations and may require PUC notification and/or authorization*

# Concept Illustration (Visual Proposed by the City)

Energy Cost at 123 Main Street  
(\$ monthly per bedroom)



↑  
This Property





## 5. Legislative Updates

# HF 164: THE ENERGY CONSERVATION AND OPTIMIZATION ACT OF 2021

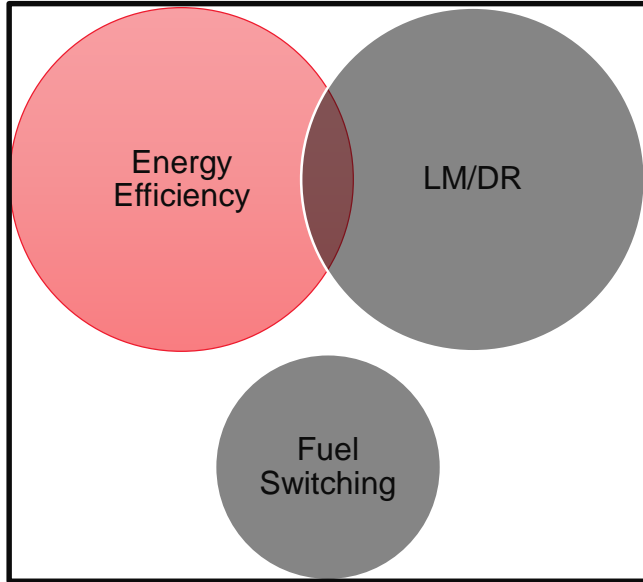
1. ***Most sweeping changes*** to MN Energy Efficiency since 2007
2. ***Expands programs*** to include fuel switching and broader load management/demand response (LM/DR) opportunities
3. ***Increases some utility goals*** while providing new tools to meet them
4. ***Bipartisan effort*** in a divided legislature, with broad support from utilities (IOU, co-op, & muni), enviros, ratepayer advocates, others



# Expanded Scope of Programs

From “conservation improvement” to “conservation and optimization”

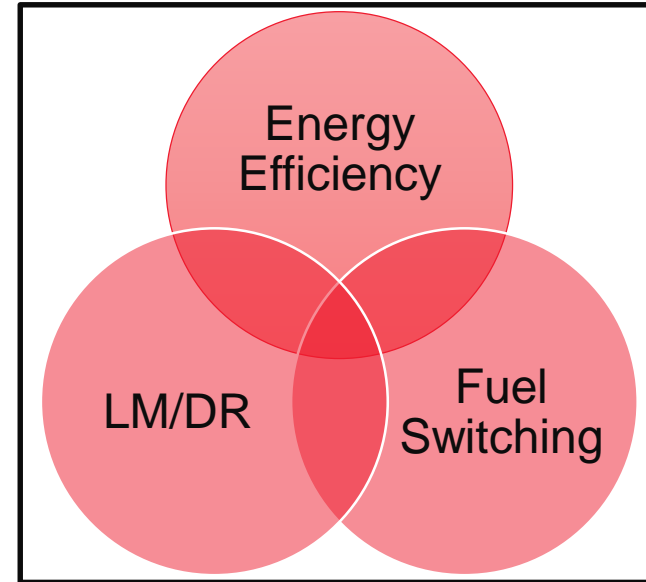
## CIP



- Fuel Switching Prohibited
- Only load management that reduces net energy use



## ECO



- Efficient Fuel-Switching Allowed
- Allows LM/DR with or without energy reduction

# Focus on Traditional Energy Efficiency Remains

	CIP	ECO
<b>Energy Savings Goal</b> (% of retail sales)		
Electric	1.5%, can be reduced as low as 1%	1.75%, can be reduced as low as 1%
Gas	1.5%, can be reduced as low as 1%	1%, cannot be reduced
<b>Minimum Program Spending</b> (% of gross* revenue)		
Electric	1.5% (2% for Xcel)	Eliminated
Gas	0.5%	Eliminated
<b>R&amp;D Spending Limit</b>	10% of minimum spend	10% of total spend

IOU requirements shown; some requirements differ for coop/municipal utilities

\*"Gross" revenue defined to exclude revenue from CIP-exempt customers

# Increased Emphasis on Income-Qualified Programs

		CIP	ECO
<b>Low-Income Spending Requirement</b> (% of residential revenue)			
	Electric	0.1%	0.4%, increasing to 0.6% in 2024
	Gas	0.4%	1%, beginning 2022
<b>Non-EE Measures</b>			
Health/Safety/Structural	Limited Health & Safety (CO/smoke detectors, bathroom fans)		<ul style="list-style-type: none"> <li>Adds “pre-weatherization” measures to address issues and reduce walkaways</li> <li>Utilities may contribute to state-administered program to remediate asbestos</li> </ul>
Fuel-Switching	Limited; delivered fuel to electric only		Efficient fuel-switching measures can be included

IOU requirements shown; requirements may differ for coop/municipal utilities

# Load Management / Demand Response

CIP: Only load management that reduces overall energy use is “energy conservation”

ECO: Load management that does not reduce overall use is not energy conservation but can be included in ratepayer-funded programs. (LM/DR that *does* reduce use is *also* energy conservation, counts toward savings goals)

By state policy, utilities are encouraged to offer load management programs

# Efficient Fuel-Switching

## Fuel-switching must:

- Reduce net energy consumption;
- Be cost-effective
- Reduce net GHG;
- Improve utility's system load factor

(utility, participant, societal tests)

## For Electric Utilities

- Fuel-switching is not energy conservation and cannot count toward annual savings goal

## For Gas Utilities

- Fuel-switching from gas to electricity *is* energy conservation and *does* count toward goal

## For Both Electric and Gas

- Spending on fuel-switching in low-income programs can count toward minimum spending requirement

# Efficient Fuel-Switching

## Timing considerations

Technical guidelines to determine individual measure eligibility (GHG impact, deemed savings, etc) must be established by Commissioner Order

- Deadline to set guidelines is March 15, 2022

Spending caps:

- Until July 1, 2026, annual spending on fuel-switching is capped at 0.35% of gross\* revenue
  - For Xcel, this is ~\$10.5M electric and ~\$1.7M gas

\*“Gross” revenue defined to exclude revenue from CIP-exempt customers



# ECO and Load Flexibility

Xcel Energy's proposed Load Flexibility (LF) programs are generally complementary with ECO ACT

Most would fall under Load Management and thus not be affected by fuel-switching caps

Currently anticipate that any approved LF programs are approved as pilots and any extension granted would be through a future ECO filing

Some aspects of the programs require PUC action regardless because they affect recovery methods, bill credits, etc.

Bill credits or other tools will be needed in addition to ECO programs to spur customer adoption of electrification measures

# Next Steps

- Continuing to assess final bill and any last-minute changes to final language
- Reviewing what changes are needed (if any) for compliance with new benchmarks
- Preparing to engage in anticipated stakeholder processes resulting from the bill
  - Anticipate discussions around efficient fuel-switching assumptions, pre-weatherization measures
- Once guidelines are finalized by Department of Commerce (anticipate March 2022), utilities can propose new programs or modifications to existing ones