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 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 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.
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)

- **Low**: <$20/bdrm
- **City Average**: $20-$39/bdrm
- **High**: $40-$60/bdrm
- **This Property**: $61-$75/bdrm
- **High**: >$75/bdrm
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

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

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

<table>
<thead>
<tr>
<th>Low-Income Spending Requirement (% of residential revenue)</th>
<th>CIP</th>
<th>ECO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electric</td>
<td>0.1%</td>
<td>0.4%, increasing to 0.6% in 2024</td>
</tr>
<tr>
<td>Gas</td>
<td>0.4%</td>
<td>1%, beginning 2022</td>
</tr>
</tbody>
</table>

Non-EE Measures

| Health/Safety/Structural | Limited Health & Safety (CO/smoke detectors, bathroom fans) | • Adds “pre-weatherization” measures to address issues and reduce walkaways  
• Utilities may contribute to state-administered program to remediate asbestos |
<table>
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<tr>
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</thead>
<tbody>
<tr>
<td>Fuel-Switching</td>
<td>Limited; delivered fuel to electric only</td>
<td>Efficient fuel-switching measures can be included</td>
</tr>
</tbody>
</table>

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

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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