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**Fresh Energy Support for the Energy Conservation and Optimization Act (“ECO”)
H.F. 4502/S.F. 4409**

Dear Chair Wagenius and members of the Energy and Climate Finance Division,

Fresh Energy writes to offer our support for the Energy Conservation and Optimization Act (HF4502/SF4409). ECO will provide additional opportunities for Minnesotans throughout the state to save money on their energy bills, advance workforce and economic development, and reduce carbon emissions and pollution.

ECO unleashes the next generation of smart energy efficiency program design.

All Minnesotans stand to benefit from the energy and cost-saving opportunities included in ECO. For over two decades, Minnesota has been a national leader in promoting electric and natural gas energy efficiency, primarily through the Conservation Improvement Program (CIP). While CIP is widely considered successful and has saved Minnesotans billions of dollars, new technologies and low-carbon fuels are here that promise even greater cost, energy and carbon savings opportunities for utilities, residents, and businesses.

ECO advances opportunities for expanded energy efficiency.

ECO builds on Minnesota’s successful energy efficiency foundation by including new energy, carbon, and cost-saving opportunities from load management (i.e. energy optimization) and efficient fuel-switching. This modernized framework will allow customers new opportunities to implement cost-effective energy saving technologies; it will allow businesses to heat and cool their buildings to coincide with lower cost energy generation periods; it will further expand economic and workforce development; and it will ensure that Minnesota is able to continue innovating and striving towards meeting its climate and clean energy goals, while maintaining a consistent focus on the historic energy efficiency programs that have worked well.

In addition to advancing cost-effective, energy saving fuel-switching and optimization opportunities, ECO raises electric investor-owned utilities energy savings goals, increases the state’s overall energy savings goal, and allows for additional tools for cooperative and municipal utilities to meet their energy savings targets. These important changes will ensure that Minnesota is continuing to innovate and advance the next generation of cost-effective energy efficiency policies.

ECO expands service for under-resourced Minnesotans.

Prioritizing the advancement of programs and opportunities that benefit low-income and under-resourced customers is a priority for Fresh Energy, and we are pleased to see ECO Act include meaningful improvements in this area. There are over 500,000 low-income households in

Minnesota, which often struggle with the ability to meet basic household heating, cooling, and energy needs. These households tend to have older, less efficient appliances and equipment, making them good candidates for energy efficiency programs. ECO would double low-income investments for investor-owned utilities and would provide low-income Minnesotans with additional opportunities to save money on their energy bills, create additional economic opportunities, and further reduce pollution.

If passed, ECO would be one of the most significant pieces of recent Minnesota energy legislation.

A broad coalition of stakeholders have collaborated over the past several years to advance ECO to where it is today, and there is general agreement that advancing this bill now is good public policy. While we recognize that more work needs to be done to ensure that Minnesotans reach our energy and climate goals, grow family sustaining jobs, and equitably serve its most at need residents, this bill takes a significant step forward in advancing smart energy policy. We urge members to vote yes.

Sincerely,
Dylan Sievers
Senior Policy Associate, Fresh Energy