

Testimony on House Clean Energy Standard
March 2, 2021

Good morning Chair Long and members of the committee, my name is Deb Birgen and I represent Missouri River Energy Services (MRES), we are a municipal power agency that provides wholesale power to 61 municipal electric utilities; 25 of which are located in Western Minnesota. I wish to address concerns MRES has with the proposed Minnesota Green Finance Authority.

The Minnesota Green Finance Authority is a rather complex bill covering everything from loans, grants and tax incentives, to renewable energy, electric vehicles, agriculture, and energy efficiency. Today, I'm going to address just a couple of concerns MRES has, but would like to work with the author on in the future.

First, the bill provides that the authority shall serve as a customer's single point of access for the provision of information on energy conservation, including contractors who install such measures and financing to reduce upfront costs to borrowers. The MN Department of Commerce already provides utilities with a Technical Resource Manual outlining energy efficiency savings for rebate programs. MRES has used that manual to create a program for its 61 municipal electric utility members called Bright Energy Solutions®. This program is a unique portfolio of energy efficiency cash-incentive programs that help residential and business customers reduce their electric energy usage and costs and operate more efficiently. The program is offered to residential and business customers of MRES members in Minnesota and in the three other states we serve. MRES and its members developed the BES program specifically to meet the needs and capture the efficiency opportunities of the unique customer base in our member communities. In addition, we can tailor the rebates and individual programs specifically to the community's circumstances. For example, the programs offered in Luverne, Minnesota may differ from what is offered in Moorhead, Minnesota. Additionally, MRES and its individual members already have contracts and relationships with contractors or vendors who install the energy efficient equipment at customer locations according to our program and are local to the community. Finally, MRES members have developed Key Account programs, in which individual members develop efficiency plans and goals for large customers in their community. This one-on-one approach is specific to the local customer and their needs.

Our second concern is that with a central "clearing house", these local relationships with customers would be lost or circumvented. Additionally, we are concerned that the authority could start imposing one-size-fits-all approaches to energy efficiency. Applying one size fits all approaches often fail to capture the savings that is available in a particular area because the programs are not sized to the community or do not keep the particular customers in mind. We are also concerned that if unknown parties are doing energy efficiency programs in our cities, that there is no way for the utility to know of these projects or to record the savings achieved. The state of Minnesota has a Conservation Improvement Program (CIP) that has goals utilities are to achieve. We report those savings to the Department of Commerce and use those savings in the MRES Integrated Resource Plan. We need to be aware of projects that the authority is funding or otherwise underwriting so that the savings can be recorded and reported.

MRES has additional concerns with this bill and would welcome the opportunity to work with the author and others on this bill to ensure that this legislation harmonizes with Minnesota's existing energy framework.

Thank you for your time and consideration.