



Energy Conservation in Minnesota: Meeting the Challenge

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Ratemaking Strategies, Financial Incentives

- Decoupling
 - What is it?
 - Will it drive greater savings, utility investment?
- Inclining block rates
 - What are they?
 - Will customers respond to price signals?
 - Should these saving count toward 1.5% goal?
- Financial incentives at OES/PUC



What counts?

- Direct, measurable savings only?
- Indirect efforts such as education and outreach?
- What's the difference between what counts in first 1% and second .5%?
- How should utility system savings be measured and counted?
- How much confidence do we have in current monitoring & verification protocols?



Is 1.5% achievable?

Can we go beyond 1.5%?

- How will goal attainment be affected by other public policies, e.g. more stringent building codes, appliance standards?
- Should current goal become a mandate if utilities under perform?
- Should decoupling be mandated?
- Are there other strategies to encourage utility and customer responses?



Looking ahead

- Research into consumer behavior and motivation for conservation
- Smart grid real-time customer feedback
- Other demand response ideas
- Carbon price effects
- Federal stimulus \$'s
- Everybody wants to be green!

