



Electrical Energy Workshop Summary
St. Paul
June 26, 2012
Participants: 12

Rather than a workshop, this session was structured as an open discussion. Discussion notes follow.

Price/economics

- Quantify the true cost of electricity including subsidies, health and environmental consequences, etc.
- Assign true costs of electricity and allow market to function. Need more robust discussion of what market signals are
- What are benefits of creation of energy, goods and materials, etc. – don't isolate energy policy from economic development, how funds get cycled in a local economy.
- Allow regulators that compare price to consider other cost/benefit analyses
- Manufacturing of renewables is a huge part of the economy – e.g. wind is the top demand for steel

- Affordability and Sustainability are top outcomes. Efficiency, Self-Reliance are parts of that.

Distributed generation

- Economic and regulatory model doesn't fit any of that
- IREE study: if all ethanol plants had CHP with corn stover, you could eliminate the King power plant

Prioritization and planning

- Need comprehensive vision/plan for MN. Need to start by setting long-term goal. Having a coherent plan helps get the public behind it
 - Energy system demands time to transform itself
- We could plan now to maximize the efficiency, sustainability, and affordability. We have the technology to do it. The only question is how do we do it in a way that doesn't cause economic disruption
 - Paths to get there:
 - Change pricing mechanisms
 - Government or institutions help pay for transition
 - Incremental policy steps to try to get there
 - We can make those changes – the debate is, how fast?
- Need consistency – large political swings are risk to Xcel
 - Educated and dedicated citizenry reduces likelihood of changing course midstream
- Put a timeframe around the question
- Need to prioritize this issue – conversation at the policy level hasn't been enough; we're taking small steps but kicking the can down the road

- How can we depoliticize the issue? There's more hope in energy arena than others

Culture/knowledge/education

- Get the average person to care – change culture
- Poll shows American believe that energy efficiency saves money, but also that it's too expensive to implement
- A lot of members of the public are educated and would like to participate in a transformation but don't have any way to do it. It's very difficult and can take a lot of money.
 - In Germany, economics are designed to work so that people can buy solar panels. Here, they're not.

What should Citizens League take on?

- Dive deeper on affordability – where/what are tradeoffs? What are breaking points?
 - In Germany, residential customers subsidize commercial/industrial. Household bills are about the same as they are here because they use a lot less
- How to improve Integrated Resource Plan (IRP) process
 - According to law, must do least-cost resource planning. “Least cost” needs to be a more sophisticated question
 - Minnesota laws clearly move us away from carbon-producing fuels, but utility plans don't require them to say how they'll reach greenhouse gas reduction goals
- Market transformation
 - We managed to put cell phones, craft beers into our budgets. 10 years ago, people would have said it would have been impossible.
 - Otter Tail had on-bill financing that paid for itself. Had outreach to grocery stores, people wouldn't take advantage of the program, not the level of uptake they expected. They don't know why.
- What could it look like to maximize Minnesota resources? I'd like to see it on a map.
- Discussion at the Capitol gets artificially narrowed. Citizens League process is important role in broadening the discussion, including tradeoffs.