



NSPM Rate Design Pilot

MPUC Informational Meeting

April 11, 2017



Agenda and Purpose

- Agenda
 - Introduction – *C. Clark*
 - Pilot and Stakeholder Engagement – *A. Chandarana*
 - Q&A
- Purpose
 - Share rate design pilot concept, goals and timing
 - Receive feedback and thoughts

Concept and Goals

- Concept

- Update current TOU offering to address emerging technologies
- Deploy geographically focused smart grid investments to complement TOU offering
- Leverage new investments and rate to meet new DR requirement
- Share learnings with stakeholders

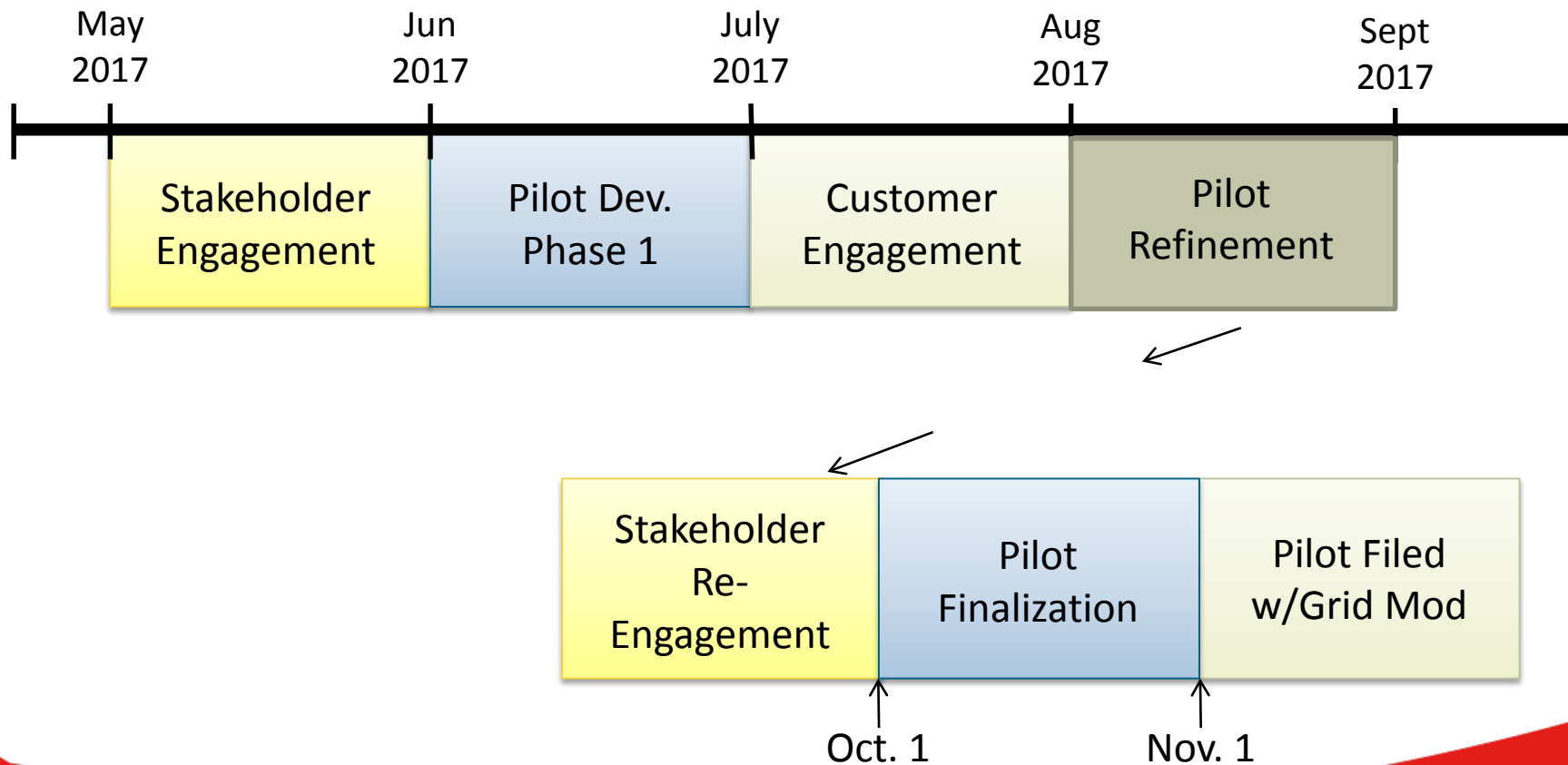
- Goals

- Modify current TOU without offering incentives
- Increase ratio of residential customer participation
- Understand the changes to rate structure, marketing and education to increase the number of customers using time of use rates
- Make progress towards requirement to add 400 MW of demand response by 2023
- Engage stakeholders and customers

Pilot Team

- Diverse Internal Team
 - NSPM Rate Design Knowledge + Recent Colorado Experience
- External Expert Support
 - Strategen (Lon Huber)
 - National perspective on TOU offerings
 - National perspective on education and marketing best practices
 - Participate in stakeholder engagement
 - Assist Pricing on TOU rate design and related analytics
- Externally Driven Stakeholder Outreach and Engagement Team
 - CEE & GPI

Pilot Development Timeline



Stakeholder Engagement

- Small, Diverse Group of Stakeholders
 - Low income customers
 - Business customers
 - Renewable developers
 - Electric Vehicle advocates
 - Environmental advocates
 - Residential customers
 - DSM experts
 - MN Commerce
 - MN Office of Attorney General
- Convene core group of stakeholders for 2-3 meetings in May and Sept.
 - Deeper dive on specific topic areas
 - Facilitated stakeholder discussion, together w/ Company experts

Example topics for stakeholder discussion

- Impacts on low income and special medical need customers
- Combine TOU with other rates (CPP or PTR) or stand-alone?
- Compare use of AMI vs AMR?
- Test multiple TOU offerings?
- Duration of Peak period
- Differential between Peak/Off-Peak rates
- Number of periods
- Number and customer type of participants
- Pilot Period
- Alignment with MN PUC Rate Design Principles

Q&A