



Minnesota Department of Commerce
85 7th Place East | Suite 280 | St. Paul, MN 55101
Information Request

Docket Number: E-002/M-25-50, G-008/M-25-43

Requested By: Danielle Winner, Staff of the Minnesota PUC

☐ Nonpublic ☒ Public

Date of Request: September 15, 2025

Date of Response: September 25, 2025

Response By: Anthony Fryer

Email Address(es): anthony.fryer@state.mn.us

Phone Number(s): (651) 539-1858

Response to Request Number: 1

Request:

Please explain the Department's policy or guidance on how utilities should allocate energy savings and/or net benefits associated with EFS measures that receive a rebate from more than one utility

Department Response

Leading up to the submission of the 2024-2026 Energy Conservation and Optimization (ECO) Triennial Plans, the Minnesota Department of Commerce (Department) issued several technical guidance filings related to implementing key provisions of the 2021 Energy Conservation and Optimization Act. For reference, below is a comprehensive list of the Department's technical guidance filings, which include requirements that apply to the investor-owned utilities' (IOU) 2024-2026 ECO Triennial Plans:

- 2024-2026 ECO Cost-Effectiveness Methodologies for Electric and Gas IOUs¹
- Technical Reference Manual 4.0²
- Inclusion of Efficient Fuel-Switching, Load Management, and Pre-Weatherization Measures³
- Determining Eligible Electric Vehicle Charging Sales⁴

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¹ "Deputy Commissioner's Decision: In the Matter of 2024-2026 CIP Cost-Effectiveness Methodologies for Electric and Gas Investor-Owned Utilities." Minnesota Department of Commerce. March 31, 2023. Docket No. CIP-23-46.

<https://www.edockets.state.mn.us/edockets/searchDocuments.do?method=showPoup&documentId={00DF3887-0000-C719-B71B-0523B746A81D}&documentTitle=20233-194403-01>

² "Deputy Commissioner's Decision: In the Matter of Technical Reference Manual Version 4.0." Minnesota Department of Commerce. February 16, 2023. Docket No. CIP-18-694.

<https://www.edockets.state.mn.us/edockets/searchDocuments.do?method=showPoup&documentId={70485B86-0000-C836-AC7F-9187E01A5872}&documentTitle=20232-193216-02>

³ "Commissioner's Decision: In the Matter of Technical Guidance for the Inclusion of Efficient Fuel-Switching, Load Management, and Pre-Weatherization Measures in CIP." Minnesota Department of Commerce. March 15, 2022. Docket No. CIP-21-837.

<https://www.edockets.state.mn.us/edockets/searchDocuments.do?method=showPoup&documentId={90098F7F-0000-C11B-B04F-C063DF81A5F9}&documentTitle=20223-183807-01>

⁴ "Deputy Commissioner's Decision: In the Matter of Technical Guidance to Determine Eligible Electric Vehicle Charging Sales to be Deducted from Utility Gross Annual Retail Energy Sales." Minnesota Department of Commerce. December 30, 2021. Docket No. CIP-21-837.

<https://www.edockets.state.mn.us/edockets/searchDocuments.do?method=showPoup&documentId={70AE0C7E-0000-CE17-8D33-2BB0C26177D4}&documentTitle=202112-181101-01>



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- Low-Income Programming in Multifamily Buildings with 5+ Units⁵
 - Measurement and Verification Protocols for Large Custom ECO Projects⁶
 - Energy Savings Carry Forward Provision⁷
 - Claiming Energy Savings from Electric Utility Infrastructure Projects^{8 9}

The “Inclusion of Efficient Fuel-Switching, Load Management, and Pre-Weatherization Measures” technical guidance¹⁰ includes a step-by-step process for including efficient fuel-switching (EFS) measures in ECO. On pages 22 and 47 of the technical guidance, the Department provides direction for how utilities should implement EFS programs in overlapping service territories, as follows:

[The Commissioner] directs overlapping electric and gas utilities to coordinate programmatic efforts in order to reduce customer confusion, limit “incentive competition” and eliminate double counting of savings. . . .

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⁵ “Commissioner’s Decision: In the Matter of Update to CIP Policy Guidance for Low-Income Programming in Multifamily Buildings with 5+ Units.” Minnesota Department of Commerce. March 15, 2022. Docket No. CIP-22-41.
<https://www.edockets.state.mn.us/edockets/searchDocuments.do?method=showPoup&documentId={80178F7F-0000-C61E-8DA3-208021A52726}&documentTitle=20223-183808-01>

⁶ “Measurement and Verification Protocols for Large Custom CIP Projects, Version 1.0.” Minnesota Department of Commerce. April 2008. <http://mn.gov/commerce-stat/pdfs/cip-mv-protocols-large-project.pdf>

⁷ “Deputy Commissioner’s Decision: In the Matter of Claiming Energy Savings through Electric Utility Infrastructure Improvements and the Energy Savings Carry Forward Provision” Minnesota Department of Commerce. February 20, 2018. Docket No. CIP-17-856.

<https://www.edockets.state.mn.us/edockets/searchDocuments.do?method=showPoup&documentId={30E3B861-0000-C119-AFBE-5532959C72DA}&documentTitle=20182-140321-01>

⁸ “Deputy Commissioner’s Decision: In the Matter of Claiming Energy Savings through Electric Utility Infrastructure Improvements and the Energy Savings Carry Forward Provision” Minnesota Department of Commerce. February 20, 2018. Docket No. CIP-17-856.

<https://www.edockets.state.mn.us/edockets/searchDocuments.do?method=showPoup&documentId={30E3B861-0000-C119-AFBE-5532959C72DA}&documentTitle=20182-140321-01>

⁹ “Deputy Commissioner’s Decision: In the Matter of Determining Normal Maintenance Activities and CIP Review Process for Electric Utility Infrastructure Projects.” Minnesota Department of Commerce. October 22, 2018. Docket No. CIP-18-543.
<https://www.edockets.state.mn.us/EFiling/edockets/searchDocuments.do?method=showPoup&documentId=%7bB0849C66-0000-C310-A767-92B206A5993B%7d&documentTitle=201810-147198-01>

¹⁰ “Commissioner’s Decision: In the Matter of Technical Guidance for the Inclusion of Efficient Fuel-Switching, Load Management, and Pre-Weatherization Measures in CIP.” Minnesota Department of Commerce. March 15, 2022. Docket No. CIP-21-837.
<https://www.edockets.state.mn.us/edockets/searchDocuments.do?method=showPoup&documentId={90098F7F-0000-C11B-B04F-C063DF81A5F9}&documentTitle=20223-183807-01>



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Electric and gas utilities shall use the same baseline and savings estimations for EFS measures that both may offer in overlapping service territories and, as discussed in Step 2, such savings estimates should be based on comparable technology (and reflected, where applicable, in the [Minnesota Technical Reference Manual]).

To reduce customer confusion and “incentive competition”, electric and gas utilities offering the same or similar EFS measures in overlapping service territories should coordinate offerings and aim for consistency in terms of incentive levels and other features.

Additionally, detailed EFS technical assumptions and additional Department review and direction can be found in Xcel Energy’s (Xcel) and CenterPoint Energy’s (CPE) 2024-2026 ECO Triennial Plan filings and the Department’s Decisions approving the Triennial Plans.¹¹

There are sections in the Deputy Commissioner Decisions approving Xcel and CPE’s 2024-2026 Triennial Plans that provide direction to utilities with overlapping service territories to ensure that energy savings associated with EFS measures receiving a rebate from more than one utility are not double counted. For example, Order Point 4a on page 204 of the Deputy Commissioner’s Decision approving Xcel’s 2024-2026 Triennial Plan¹² directs Xcel to implement the following practice:

When multiple utilities provide rebates for the same EFS measure, the Deputy Commissioner directs the utilities to coordinate with one another to make sure there is no double counting of energy conservation savings from the EFS measure’s total savings claim. If more detailed guidance is required for how to address this potential double counting issue, the Deputy Commissioner directs Staff to discuss and develop the additional guidance through the TRM advisory committee.

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¹¹ See docket nos. G008/CIP-23-95 and G,E002/CIP-23-92

¹² “Deputy Commissioner’s Decision: In the Matter of Xcel Energy’s 2024-2026 Energy Conservation and Optimization Triennial Plan” Minnesota Department of Commerce. December 1, 2023. Docket Nos. G,E002/CIP-23-92, E7030/CIP-23-99, G7033,E7031/CIP-23-100, G7034,E7032/CIP-23-101, G7036, E7035/CIP-23-102.

<https://efiling.web.commerce.state.mn.us/documents/%7B604A278C-0000-C317-BAB0-FADE606A3DE6%7D/download?contentSequence=0&rowIndex=74>



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Similarly, Order Point 4c on page 273 of the Deputy Commissioner's Decision approving CPE's 2024-2026 Triennial Plan¹³ directs CPE to implement the following guidance:

The Deputy Commissioner believes that there could be potential double counting of energy savings from EFS measures that are rebated in overlapping utility service territories. For example, when CPE and Xcel Energy both pay part of an air-source heat pump rebate, there is a possibility that the two utilities might both claim the cooling electric efficiency savings. When multiple utilities provide rebates for the same EFS measure, the Deputy Commissioner directs the utilities to coordinate with one another to make sure there is no double counting of energy conservation savings from the EFS measure's total savings claim. If more detailed guidance is required for how to address this potential double counting issue, the Deputy Commissioner directs Staff to discuss and develop the additional guidance through the TRM advisory committee.

Department Staff also evaluate the utilities' EFS ECO energy savings, spending, and participation achievements as reported in the IOUs' annual ECO Status Reports.¹⁴ The EFS achievements reported by the utilities in their annual ECO Status Reports are required to follow the Department's direction in the technical guidance filings outlined above and any additional requirements outlined in the utilities' 2024-2026 Triennial Plan Decisions.

Lastly, there were significant changes to the ECO EFS framework in the 2024 legislative session that have since necessitated a redrafting of the March 15, 2022, efficient fuel-switching technical guidance. As such, the Department convened a series of stakeholder meetings throughout 2025, to discuss changes to the technical guidance. A particular focus of this review has been to provide additional guidance to more clearly determine savings attribution for efficient fuel-switching measures where an electric and natural gas utility are incentivizing the same measure. The Department expects to issue the revised technical guidance later in 2025 for stakeholder review and comment.

¹³ "Deputy Commissioner's Decision: In the Matter of CenterPoint Energy's 2024-2026 Energy Conservation and Optimization Triennial Plan" Minnesota Department of Commerce. December 1, 2023. Docket Nos. G008/CIP-23-95, G7033, E7031/CIP-23-100, G7034, E7032/CIP-23-101. <https://efiling.web.commerce.state.mn.us/documents/%7BA039278C-0000-C534-AEA4-EE11218A137C%7D/download?contentSequence=0&rowIndex=47>

¹⁴ See Docket Nos. G008/CIP-23-95 and E, G002/CIP-23-92.



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Response to Request Number: 2

Request:

Please explain whether it is your understanding that the calculation of CenterPoint Energy's requested 2024 ECO financial incentive includes net benefits associated with heat pumps that received "geographic consistency" rebates from Xcel Energy

1. If so, how were energy savings treated for those measures?
2. If so, please explain whether and how the Department considered the Xcel Energy geographic consistency rebates for EFS measures in the calculation and evaluation of CenterPoint Energy's ECO financial incentive.

Response:

On January 25, 2024, the Commission approved the current Shared Savings DSM Financial Incentive Plan, which applies to investor-owned gas and electric utilities for savings achieved through ECO during the 2024–2026 Triennial.¹⁵ The Department's review of Xcel and CenterPoint's proposed Shared Savings Financial Incentive was informed by the requirements included in the Commission's January 25, 2024, Order.

Under the ECO framework, gas utilities can include savings and net benefits from qualifying efficient fuel-switching programs when calculating their financial incentive, effectively treating efficient fuel-switching programs the same as traditional ECO programs, provided it has achieved energy savings from non-EFS programs at or above 1 percent of retail sales.¹⁶ Until recently, an electric utility could not count savings or net benefits from efficient fuel-switching measures when calculating its overall Shared Savings DSM incentive. Now, however, a utility, the Department, or other stakeholder may propose a separate EFS incentive for approval by the Commission.¹⁷

Department Staff evaluated the broader ECO program achievements reported in Xcel and CenterPoint's 2024 ECO Status Reports.¹⁸ The Department's detailed findings and conclusions related to Xcel and CenterPoint's 2024 ECO Status Reports can be found in the Staff Proposed Decisions and Assistant Commissioner's Decisions - including any findings and conclusions specific to efficient fuel-switching measure energy savings.

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¹⁵ Order Adopting Modifications to Shared Savings Demand-Side Management Financial Incentive Plan, January 25, 2024. Docket Number E,G-999/CI-08-133.

¹⁶ Commission's Order Adopting Modifications to Shared Savings Demand-Side Management Financial Incentive Plan, January 25, 2024, Docket Number E,G-999/CI-08-133.

¹⁷ Minn. Stat. § 216B.16, subd. 6c

¹⁸ See Docket Nos. G008/CIP-23-95 and E,G002/CIP-23-92.



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Beyond what has been analyzed and presented in the Department's ECO Tracker comments to the PUC and the Department's Proposed Decisions and Decisions for the 2024 ECO Status Reports, CenterPoint and Xcel would be in a better position to respond to the PUC's detailed questions that are related to situations where the utilities needed to coordinate on efficient fuel-switching measures in their overlapping service territories.