

**Minnesota Public Utilities Commission**  
*Staff Briefing Papers*

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Meeting Date: January 16, 2014 .....\*\*Agenda Item # 6

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Company: Minnesota Power (MP or the Company)

Docket No. **E015/RP-13-53**

In the Matter of Minnesota Power’s 2013-2027 Integrated Resource Plan

Issues: Should the Commission reconsider its November 12, 2013 order for Minnesota Power’s 2013-2027 resource plan?

Staff: Sean Stalpes .....651-201-2252

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**Relevant Documents**

Commission Order Approving Resource Plan.....November 12, 2013  
Large Power Intervenors, Request for reconsideration.....December 2, 2013  
Minnesota Power, Letter supporting clarification request.....December 11, 2013  
Environmental Intervenors, reply comments.....December 12, 2013

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The attached materials are workpapers of the Commission Staff. They are intended for use by the Public Utilities Commission and are based upon information already in the record unless noted otherwise.

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### ***Statement of the Issues***

Should the Commission grant the Large Power Intervenors' Request for Reconsideration?

### ***Minnesota Statutes and Commission Rules***

Petitions for reconsideration are subject to Minn. Stat. § 216B.27, and Minn. Rules part 7829.3000. Petitions for reconsideration are denied by operation of law unless the Commission takes action within sixty days of the request. If the Commission takes no action on the Large Power Intervenors' petition, the request would be considered denied as of January 31, 2014. The Commission may also take specific action to deny the petition.

If the Commission takes up a party's request for reconsideration, the Commission can: (1) reconsider, and (a) affirm, (b) modify or (c) reverse its initial decision, or (2) toll the time period to allow additional time for reconsideration, or (3) deny the petition for reconsideration and thereby affirm the initial decision. The Commission may also reconsider its Order on its own motion.

### ***Background***

In Minnesota Power's (MP) 2013 Integrated Resource Plan (IRP), the Commission ordered that the Company's next resource plan contain a more robust discussion and evaluation of energy savings goals. Ordering paragraph 12 provided an outline of information MP should provide to the Commission:

12. For its next resource plan, Minnesota Power shall:
  - a. Identify the amount of energy savings embedded in each year of its load forecast, in terms of total savings (kWh) and as a percentage of non-CIP-exempt retail sales;
  - b. Identify the amount of system-wide energy savings, including aggregate data for CIP-exempt customers, embedded in each year of its load forecast;
  - c. Evaluate additional conservation scenarios for its CIP-exempt and non-CIP-exempt customers, that would achieve greater energy savings beyond those in the base case; and
  - d. Provide cost assumptions for achieving every 0.1 percent of savings above 1.5 percent of non-CIP-exempt retail sales.

The energy savings decision options which resulted in ordering paragraph 12 represented areas where Staff could not verify how MP modeled its energy savings in its 2013 IRP, but which could be helpful for the next one.

As discussed in the September 25, 2013 Staff briefing papers for MP's 2013 IRP:

Staff believes the energy savings proposals for this 15-year planning period are far too underdeveloped to be meaningfully considered by the Commission...Staff believes major progress needs to be made from now until MP's next IRP in order to construct some level of cost-benefit analysis for energy savings.

To the extent the Commission wants to provide planning guidance to MP on energy savings goals, Staff notes that a cost curve does not really exist for the Commission to be able to consider energy efficiency as a resource on an incremental basis.

MP recommends the Commission approve its plan to meet the 1.5 percent energy savings goal. However, since MP assumes a constant 52.3 million kWh of energy savings in every year of the planning period, but the sales forecast grows, it is not even obvious which years MP will achieve this goal.

In Staff's observation, the Department provided a far more meaningful analysis of energy savings goals in the MP's resource plan than the Company did. MP used a single number, 52.3 million kWh, demonstrating a flat level of energy savings throughout the planning period.<sup>1</sup> When requested by the Department to test incremental levels of energy savings, MP did not include any analysis of costs, and the benefits consisted only of quantifying avoided power supply costs in Strategist.<sup>2</sup>

In the Department's June 3, 2013 IRP comments, *Part C. Review of MP's Demand-Side Management*, DOC explains:

Although it is not explicitly stated, the Department assumed for this analysis that the 52,315,637 kWh listed in appendix B corresponds to MP's 1.5 percent energy savings goal and is the average amount that will result in energy savings of approximately 1.5 percent over the IRP period.

MP has a number of large industrial customers that have applied for and received exemptions (opt-outs) from the Conservation Improvement Program (CIP) investment and expenditure requirements under Minn. Stat. §216B.241. Retail sales to these exempt customers are not included in calculating MP's percentage energy sales for its CIP goals.

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<sup>1</sup> Table 1 on Page 2 of Minnesota Power's 2013 IRP, Appendix B.

<sup>2</sup> According to MP's response to DOC IR#16, "The cost to implement conservation programs that would achieve an incremental increase in conservation of 0.2 percent and 0.5 percent was assumed to be zero for this sensitivity, giving the programs the most benefit possible. With no cost attributed to the incremental increase in conservation, the change in power supply cost with the incremental increase in conservation represents the avoided cost these programs could bring to the customer."

Because MP uses an econometric forecast, a certain amount of energy savings will be built into the forecast. The Department generally assumes that the amount of energy savings built into the forecast is an average of the last five years of energy savings.

Table 12 below shows the energy savings that MP achieved from 2007 to 2011.

**Table 12: MP's Energy Savings (2007 - 2011)**

Year	Savings (kWh)	Savings as % of non opt-out Retail Sales	Savings as a % of Total - Resale Energy (MWh) Including Opt-Out
2007	44,168,014	1.34%	0.49%
2008	48,845,282	1.48%	0.53%
2009	52,897,732	1.60%	0.82%
2010	60,503,220	1.83%	0.69%
2011	69,091,422	2.09%	0.74%
Five Year Average (2007 - 2011)	55,101,134	1.67%	0.65%

As can be seen in Table 12, MP saved an average of 55,101,134 kWh over the past five years. **Thus, the Department assumes that approximately 55.1 million kWh of energy savings are embedded in MP's forecast.**<sup>3,4</sup>

Staff interpreted the Department's language to mean that MP did not explicitly identify its energy savings as a percentage of sales relative to the state goal over the 15-year planning horizon. Moreover, there didn't seem to be agreement of the forecasted savings, nor were the total system savings (including CIP-exempt) identifiable in the forecast.

According to MP, "large customers are highly incentivized to conserve energy and adopt energy saving practices in order to control utility related expenses that have a direct impact on the company's bottom-line and global competitiveness." Similarly, LPI concluded, "Large and complex energy-intensive industries that compete in a global marketplace have every incentive to conserve energy."<sup>5</sup>

The comments from MP and LPI imply a conclusion that energy efficiency takes place among CIP-exempt customers, to the extent those savings are cost-effective. Staff's intent for constructing the decision options was for MP – **not its customers** – to provide in its next IRP some aggregate number to be able to substantiate its claim and to ensure its forecast captures all energy savings measures. Moreover, it should not be left only to the Department to provide cost-benefit analysis of incremental energy savings goals.

The Environmental Intervenors (EIs) proposed the Commission further investigate cost-effective energy efficiency among MP's CIP-exempt industrial load. According to the EIs, "The Department's evaluation of additional efficiency potential on the Minnesota Power system

<sup>3</sup> Emphasis added

<sup>4</sup> Department of Commerce Initial Comments, p. 40

<sup>5</sup> Large Power Intervenors, Reply Comments, p. 20

pertained only to CIP customers, and did not attempt to evaluate the potential for achievement of additional energy efficiency savings in the vast majority of Minnesota Power's load that is CIP-exempt."<sup>6</sup> This CIP-only analysis fails to fully consider energy efficiency as a resource.

Taken as a whole, ordering paragraph 12 attempts to advance the evaluation of energy efficiency in MP's next IRP, and to align MP with the parties in that analysis. In order to do that, 12.a.-d. take steps to gather information, set higher targets, and construct a cost curve to meet those targets. Specifically, ordering paragraph 12.b. requires MP, not its customers, to provide estimates of CIP savings and system-wide energy savings. Ordering paragraph 12.c. seeks some discussion of how MP could achieve savings incrementally higher than that which is identified in 12.b. While not disputed, 12.d. applies the cost side of the equation, but only to CIP customers.

### *Party Comments*

#### **Large Power Intervenors' Request for Reconsideration**

The Large Power Intervenors (LPI) Reconsideration Request states:

Under applicable law, "A petition for rehearing, amendment, vacation, reconsideration or reargument must set forth specifically the grounds relied upon or errors claimed. A request for amendment must set forth the specific amendments desired and the reasons for amendment." LPI files this request for reconsideration and, in the alternative, amendment, with respect to ordering paragraph 12 of the Resource Plan Order. There, the Commission directs specific action from both Minnesota Power and its ratepayers. Ordering paragraph 12 states:

For its next resource plan, Minnesota Power shall:

- a. Identify the amount of energy savings embedded in each year of its load forecast, in terms of total savings (kWh) and as a percentage of non-CIP-exempt retail sales;
- b. Identify the amount of system-wide energy savings, including aggregate data for CIP-exempt customers, embedded in each year of its load forecast;
- c. Evaluate additional conservation scenarios for its CIP-exempt and non-CIP-exempt customers, that would achieve greater energy savings beyond those in the base case; and
- d. Provide cost assumptions for achieving every 0.1 percent of savings above 1.5 percent of non-CIP-exempt retail sales.

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<sup>6</sup> Environmental Intervenors, July 3, 2013 Reply Comments, p. 3.

LPI asserts that the Commission should reconsider its Resource Plan Order and strike paragraphs 12.b. and 12.c. Alternatively, LPI requests that the Commission amend paragraphs 12.b. and 12.c. to reflect its intent, define the phrase “additional conservation scenarios,” and clarify that LPI’s CIP-exempt members do not have a reporting obligation to Minnesota Power.

LPI recommends the Commission clarify that the intent of ordering paragraph 12.b. is to ensure an accurate forecast, and LPI agrees with that objective. While LPI believes the information requested in ordering paragraph 12.b. is already built into MP’s forecast, LPI would not oppose a verification which ensures an accurate forecast for resource planning purposes.<sup>7</sup>

LPI recommends adopting ordering paragraph 12.b. as follows:

b. ~~Identify~~ Verify that the amount of system-wide energy savings, including aggregate data for CIP-exempt customers, is embedded in each year of its load forecast;

Regarding ordering paragraph 12.c., LPI believes amendments are necessary to explain the Commission’s intent and comply with existing law. First, the Commission should clarify what it means by directing Minnesota Power to “evaluate additional conservation scenarios” in ordering paragraph 12.c.<sup>8</sup> Second, “LPI recommends deleting any reference to CIP-exempt customers in ordering paragraph 12.c.”<sup>9</sup>

LPI proposes the following amendments:

c. Evaluate additional energy conservation improvement scenarios ~~for its CIP-exempt and~~ by engaging with non-CIP-exempt customers, ~~that would in order to explore achieving~~ greater energy savings beyond those in the base case while remaining sensitive to cost considerations; and...

LPI reads ordering paragraphs 12.b. and 12.c. to require its CIP-exempt members to report forecasted energy savings to MP and work with the utility on energy conservation projects. LPI argues that the Commission does not have jurisdiction to mandate such reporting by CIP-exempt customers or to require those members to work with Minnesota Power on any energy conservation project. The data requirements that the Commission sets forth in ordering paragraphs 12.b. and 12.c. effectively mandate MP to collect and report data that should be afforded protection from disclosure to the public as highly confidential, proprietary, and exempt from production.

Under Minn. Stat. §216B.241 if a large industrial customer has been granted a CIP exemption, then that customer’s facility (1) is not considered to be an available resource for purposes of designing “utility-sponsored conservation programs” under any integrated resource plan and (2)

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<sup>7</sup> Large Power Intervenors, Request for Reconsideration, p. 11.

<sup>8</sup> Large Power Intervenors, Request for Reconsideration, p. 12.

<sup>9</sup> Large Power Intervenors, Request for Reconsideration, p. 13.

is not measured for purposes of determining the utility's performance with respect to the annual 1.5 percent energy savings goal.

### **Environmental Intervenors Reply**

The EIs request that the Commission deny the Petition “because it fails to establish that the Order is unlawful or unreasonable with regard to any of the matters raised by LPI.”<sup>10</sup> According to the EIs, “LPI arguments imply that the legislature intended CIP, Minn. Stat. §216B.241, to be the only energy savings effort allowed by the legislature to the Commission or the DOC, which simply is not the case.” The EIs contend there are several statutory provisions which authorize the Commission to direct MP to evaluate energy savings potential, including:

- Minn. Stat. §216B.2422, Integrated Resource Planning;
- Minn. Stat. §216B.03, Ratemaking;
- Minn. Stat. § 216B.243, Subd. 3, Certificate of Need;
- Minn. Stat. § 216C.05, Subd. 2, State Energy Goals

Minn. Stat. §216B.2422, defines “resource plan” to include a number of options to be used to meet customer service needs, including “controlling customer loads, and implementing customer energy conservation.” Likewise, Subdivision 2 of this section requires that utilities include a “least cost plan for meeting 50 and 75 percent of all new and refurbished capacity needs through a combination of conservation and renewable energy resources.” It would not be possible for a utility to assess and implement such a plan absent information about customer energy conservation measures and potential. Utilities must evaluate their customers’ ability to control load and increase energy conservation, and the Commission has broad jurisdiction over energy savings efforts beyond those specified in Minn. Stat. § 216B.241.

Under the ratemaking statute, Minn. Stat. §216B.03, the “commission shall set rates to encourage energy conservation and renewable energy use and to further the goals of sections 216B.164, 216B.241, and 216C.05.”<sup>11</sup> (Emphasis added.) Thus, the legislature has granted the Commission express, long-standing authority to use its rate-setting powers to encourage energy conservation generally, and not just through Minn. Stat. § 216B.241.

The certificate of need statute provides that “no proposed large energy facility shall be certified...unless the applicant can show that demand for electricity cannot be met more cost effectively through energy conservation and load-management measures[.]” To implement this statutory requirement the Commission can investigate and order a utility to implement customer energy conservation measures instead of constructing new generation facilities.

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<sup>10</sup> Environmental Intervenors, Dec. 3, 2013 Reply Comments, p. 2.

<sup>11</sup> 216B.164 refers to 216B.164 Cogeneration and small power production., 216B.241 refers to Energy Conservation Improvement, and 216C.05 refers to Energy Policy Goals.

Finally, Minn. Stat. § 216C.05, Subd. 2 establishes overall energy efficiency goals for the state, and the EIs believe the Commission must use its authority to ensure that the utilities it regulates meet these statewide goals.

### Response to LPI's proposed amendments to ordering paragraph 12

The EIs contend that the amendments proposed by LPI would render ordering paragraph 12.b. and 12.c. superfluous, and the EIs recommend these amendments should be rejected.

LPI's proposed changes to paragraph 12.b would do no more than require MP to include a sentence in future IRPs stating the obvious fact that forecasts based on historical load growth include the effect of energy conservation and efficiency efforts, even if such efforts are not separately quantified.

Similarly, LPI's proposed amendment to paragraph 12.c. simply excludes CIP-exempt customers from any future engagement with MP in developing scenarios, making it applicable only to non-CIP-exempt customers. Although the LPI Petition references a forthcoming state-wide DOC report on energy savings to suggest that the Commission could require a utility-specific dialogue in subparagraph 12.c., LPI's suggested amendment would actually eliminate such a dialogue with CIP-exempt customers.

## **Staff Discussion**

### ***Option #1: Deny the Large Power Intervenors Request for Reconsideration***

The Commission could deny LPI's request for reconsideration of ordering paragraph 12. Staff supports this option because of its opinion that the Commission did not "inappropriately assert its jurisdiction over utility customers," as LPI claims.

Staff and LPI seem to have different interpretations of what is envisioned to result from ordering paragraph 12. While LPI seems to read the order as the Commission exerting control over CIP-exempt customers, Staff views it as an informational issue among MP, the Commission, Commission Staff, the parties, **and hopefully**, MP's CIP-exempt customers.

LPI's interpretation is that ordering paragraphs 12.b. and 12.c. "require its CIP-exempt members to report forecasted energy savings to Minnesota Power and work with the utility on energy conservation projects." LPI does not believe the Commission has jurisdiction to mandate such reporting by LPI's CIP-exempt members "or to require those members to work with Minnesota Power on any energy conservation project."<sup>12</sup>

Ordering paragraphs 12.b. and 12.c. do not establish reporting requirements for CIP-exempt customers. These reporting requirements are already defined by Minn. Stat. §216B.241, Subd.

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<sup>12</sup> Large Power Intervenors, Request for Reconsideration, p. 3.



1a. (b).<sup>13</sup> Instead, 12.b. and 12.c. ask MP to tell the Commission how its system-wide energy savings are built into its forecast and, possibly, how the exploration of achieving greater savings can be advanced in IRP.

It would be surprising to learn that MP has no idea what energy efficiency programs its CIP-exempt customers have implemented, and it would be even more surprising to learn that MP does not plan to make any attempt to work with its large industrial customers on energy efficiency projects. Nevertheless, Staff believes LPI's concern is a few steps ahead of where the order attempts to go, which is for MP to better inform the overarching goal of understanding what savings opportunities exist and what they could potentially be.

If the result of the order is that MP cannot identify the requested information, due to confidentiality or other roadblocks, then that is an issue separate to this "data mining" phase of the order's intent. If MP's CIP-exempt customers are unwilling or unable to contribute to the Company's retrieval of this information, at least the Commission can be made aware of that.

***Option #2: Grant the reconsideration request and strike ordering paragraphs 12.b. and 12.c.***

The Commission could reconsider its resource plan order and strike paragraphs 12.b. and 12.c. Staff does not support this option because its purpose – to bring more transparency into MP's total system energy savings – would be useful insight to future planning proceedings.

It was not clear during MP's 2013 IRP process what the Company's total system energy savings even is. LPI concludes that, "Minnesota Power's load forecasting model already incorporates the information the Commission seeks."<sup>14</sup> MP agrees with LPI, stating that "the information requested by the Commission in ordering paragraph 12.b is already built into Minnesota Power's Annual Forecast Report (AFR)." If this is the case, it should be no problem for MP to explicitly demonstrate year-over-year estimates of energy savings from both CIP-exempt and non-exempt customers. Even if this reflects redundant information being filed into the record, Staff believes it is an important enough issue to make clear what is "embedded in the forecast."

***Option #3: Grant the reconsideration request and amend ordering paragraphs 12.b. and 12.c.***

If the Commission does not strike ordering paragraphs 12.b. and 12.c., LPI requests amendments to them to reflect the Commission's intent. Specifically, LPI requests the Commission define the phrase "additional conservation scenarios," and clarify that LPI's CIP-exempt members do not have a reporting obligation to Minnesota Power.

If it is not stricken, LPI recommends amending ordering paragraph 12.b. as follows:

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<sup>13</sup> Under Minn. Stat. §216B.241, Subd. 1a. (b), once a customer is CIP-exempt, the commissioner of commerce "may request the owner of a large customer facility to submit, not more often than once every five years, a report demonstrating the large customer facility's ongoing commitment to energy conservation and efficiency improvement after the exemption filing."

<sup>14</sup> Large Power Intervenors, Request for Reconsideration, p. 10.

b. ~~Identify~~ Verify that the amount of system-wide energy savings, including aggregate data for CIP-exempt customers, is embedded in each year of its load forecast;

The EIs contend that LPI's amendment to 12.b. "would do no more than require Minnesota Power to include a sentence in future IRPs stating the obvious fact that forecasts based on historical load growth include the effect of energy conservation and efficiency efforts, even if such efforts are not separately quantified."

Staff takes no position on whether the word "identify" or "verify" is preferable. The important point is visibility, not of proprietary or confidential information, but of system-wide, aggregated information.

Regarding ordering paragraph 12.c., if it is not stricken, LPI recommends amending 12.c. as follows:

c. Evaluate additional energy conservation improvement scenarios ~~for its CIP-exempt and by engaging with~~ non-CIP-exempt customers, ~~that would in order to~~ explore achieving greater energy savings beyond those in the base case while remaining sensitive to cost considerations; and...

According to LPI, "The overarching concern during deliberations appeared to be to encourage a dialogue."<sup>15</sup> LPI is correct that further dialogue will be necessary and was certainly encouraged during deliberations. However, the initial purpose of the decision option was for MP to make a more concerted effort to identify costs and benefits, as well as barriers and opportunities, to the exploration of energy savings on MP's system as a whole.

According to MP's own resource plan, "For Minnesota Power, the value of its conservation program goes beyond the requirements and goals set forth in statute." Resource planning is inherently a type of proceeding which has often been relatively open-ended with respect to policy initiatives. Ideally, coordination will exist among all parties, including large industrial customers, to generate the most informed discussion possible. However, the information sought at this time is exploratory, and it is to be provided by the Company.

***Option #4: Grant the reconsideration request and amend ordering paragraphs 12.c to exclude CIP-exempt customers.***

Page 4 of this document shows Table 12 from the Department's initial resource plan comments. The table below, similar to the Department's Table 12, is one example of the type of information which could result from ordering paragraph 12.

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<sup>15</sup> Large Power Intervenor, Request for Reconsideration, p. 13.

Year	Savings from CIP customers (kWH)	Savings as a % of non-opt-out retail sales	Net benefit / cost of incremental CIP savings (+0.1, 0.2%)	Savings from CIP-exempt customers (kWH)	Savings (CIP + CIP-exempt) as a % of total retail energy sales
Five-year historical average					
2015					
2016					
...					
2029					

Perhaps it is a matter of presentation, but Staff could not find the information from MP’s Advanced Forecast Report in order to fill in the table above. Only the first column, Savings from CIP customers, was included in the IRP, and this is the 52.3 million kWH of savings for each year of the planning period. According to the Department’s comments, “it is not explicitly stated” whether these savings meet the 1.5 percent goal. Additionally, Staff could not verify whether or how the savings from CIP-exempt customers are embedded in the forecast.

While LPI’s reconsideration request is focused in scope on MP’s CIP-exempt customers, ordering paragraph 12.c. has important implications for customers in CIP as well. Amending 12.c. as LPI proposes seems to abandon running any incremental scenario analysis for MP’s CIP customers. Thus, if the Commission reconsiders 12.c., Staff offers an alternative amendment to maintain the cost-benefit analysis for higher levels of savings within MP’s CIP.

- c. Evaluate additional conservation scenarios for its ~~CIP-exempt and non-CIP-exempt~~ CIP customers, that would achieve greater energy savings beyond those in the base case; and

***Scope of the Issue***

An issue underlying LPI’s reconsideration request is: did the Commission require MP’s CIP-exempt customers to do anything? If the Commission believes it did, then it can have the discussion about whether to strike, or how to amend, ordering paragraphs 12.b. and 12.c. Both LPI and the EIs have different views on Commission authority, which are discussed in their respective comments. However, Staff believes the ordering paragraphs apply only to MP and, therefore, questions the basis upon which LPI’s request for reconsideration should be granted.

LPI states in its request, “the Commission lacks statutory authority to direct CIP-exempt customers to work with Minnesota Power on conservation programs. By statute, CIP-exempt customers are responsible for planning, financing, and implementing their own energy conservation and energy efficiency efforts.”

To be clear, Staff agrees with LPI in this regard. However, the setting for ordering paragraph 12 is that “integrated resource planning,” by its nature, implies some directive – whether it comes from the legislature or the Commission’s rules – to at least monitor, if not advance, cost-effective energy savings measures in the state. Most of MP’s load is CIP-exempt, and in addition to ensuring a reasonable forecast, the Commission should be able to ask the utility what energy savings measures can be considered as an alternative to a new generation facility.

As the EIs argue, the Commission has broad jurisdiction over least-cost plans to meet various standards of need. MP’s 2013 IRP based its need on MISO’s planning reserve margin, and its action plan was tailored to meet several renewable and environmental requirements, specifically newly promulgated EPA rules. Since 2012, load-serving entities in MISO have been able to meet planning reserve margin requirements, in part, through use of energy efficiency resources.<sup>16</sup> At the federal level, fifteen states, including Minnesota, recently submitted a joint letter to EPA regarding input on carbon standards for existing power plants under Section 111(d) of the Clean Air Act. One of the states’ recommendations to EPA is to ensure “energy efficiency programs are evaluated transparently and consistently so that appropriate credit is provided for these programs.”

Because MP is a unique utility in both its proportion of energy-intensive industrial load and load exempt from CIP, this consideration of “energy efficiency as a resource” contains real planning implications at the state level, RTO level, and federal level. While ordering paragraph 12 does not go this far, energy policy in general looks to be moving in the direction of discussing energy efficiency more holistically, and perhaps as a means for environmental compliance standards and meeting planning reserve margin requirements.

Through its November 12, 2013 Order, the Commission asked MP to report how much energy efficiency exists on its system and what cost-effective savings could potentially be captured. It could be that setting higher goals is cost-prohibitive, or that MP cannot reliably estimate what its CIP-exempt customers have saved, or will save, in its energy efficiency programs. That said, Staff does not believe this means the Commission acted unlawfully by asking.

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<sup>16</sup> Section 69A.3.2 in MISO’s Resource Adequacy Tariff

## Decision Options<sup>17</sup>

1. Deny the Large Power Intervenors request for reconsideration
2. Grant the reconsideration request and strike ordering paragraphs 12.b. and 12.c.

OR,

3. Grant the reconsideration request and adopt LPI's following amendments:

- a. Modify ordering paragraph 12.b. to:

~~Identify~~ Verify that the amount of system-wide energy savings, including aggregate data for CIP-exempt customers, is embedded in each year of its load forecast;

- b. Modify ordering paragraph 12.c. to:

Evaluate additional energy conservation improvement scenarios ~~for its CIP-exempt and~~ by engaging with non-CIP-exempt customers, ~~that would in order to~~ explore achieving greater energy savings beyond those in the base case while remaining sensitive to cost considerations;

OR,

4. Grant the reconsideration request and modify ordering paragraph 12.c. to:

Evaluate additional conservation scenarios for its ~~CIP-exempt and non-CIP-exempt~~ CIP customers, that would achieve greater energy savings beyond those in the base case; and

5. Toll the time period to allow additional time for reconsideration.

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<sup>17</sup> Pursuant to Commission practice, only a Commissioner who voted on the prevailing side may make a motion for rehearing/reconsideration. At the September 25, 2013 agenda meeting,

Commissioner Wergin moved to approve, among other things, ordering paragraph 12.b. The motion passed 5-0.

Commissioner O'Brien moved to approve ordering paragraph 12.c. The motion passed 3-2. Commissioners Boyd and Wergin voted against the motion.