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Xcel Energy	Information Request No.	3
Docket No.:	E002/M-24-173	
Response To:	Minnesota Public Utilities Commission	
Requestor:	Tera Dornfeld	
Date Received:	April 26, 2024	

Question:

What are the estimated costs associated with engaging a third-party evaluator?

Response:

The Company has experience conducting Requests for Proposal for third-party monitoring and evaluation (M&E) of pilot programs in energy efficiency, new electric rates, electric vehicle programs, and other areas. Based on that experience, we anticipate costs in the ballpark of \$400,000 if the expectation is – as we believe it should be – to work with the third-party evaluator throughout the duration of the pilot. We believe that the estimated cost of M&E, at less than 4 percent of the estimated cost of bill credits, is reasonable for a pilot of this scale.

This work would begin with development of an M&E plan and metrics, with research designed to measure the objectives designated in the final order through primary and secondary data collection at the appropriate points in the process. Engaging with ESAG member organizations at the conclusion of the planning stage (prior to any data collection) is likely, but we expect that the most cost-effective approach will rely on deference to the third-party evaluator's expertise on survey design and sample development. The company will use the Request for Proposal process to contain costs, but considering the innovations being explored in this pilot, M&E needs to take a robust and thorough approach; we believe the cost estimate above is likely accurate. The Company plans to seek recovery of third-party M&E costs.

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