



APPENDIX D

2020 CIP Approval Letter

2023-2037 INTEGRATED RESOURCE PLAN

Submitted to the Minnesota Public Utilities Commission

Docket No. **ET-2/RP-22-75**

March 31st, 2023

June 23, 2022

Jeffrey Haase
Great River Energy - All-requirements members
12300 Elm Creek Blvd.
Maple Grove, MN 55369

RE: Electric Conservation Improvement Program (CIP) 2020 Results and 2022 Plans

Dear Jeffrey Haase:

Thank you very much for Great River Energy - All-requirements members' (GRE) efforts and those of its members to report 2020 Conservation Improvement Program (CIP) results and a 2022 CIP plan in ReportingESP. My Staff at the Minnesota Department of Commerce, Division of Energy Resources (Department) have finished reviewing this information.

Minnesota Statutes Section 216B.241 Subd 1b(f) provides that a generation and transmission cooperative electric association, a municipal power agency, or other not-for-profit entity that provides energy service to cooperative or municipal utilities that provide electric service at retail to consumers may invest in energy conservation improvements on behalf of the associations it serves and may fulfill the CIP conservation, spending, reporting, and energy-savings goals on an aggregate basis. The information presented in this letter reflects the aggregate effort of the members of GRE indicated. There may be additional retail utilities that GRE provides electric services to that are not represented in the aggregate results included in this letter. The Department notes that the following exempt utilities are continuing to offer programs and report with GRE:

- Arrowhead Electric Coop. Inc
- Brown Co Rural Electrical Assn
- Goodhue County Coop Electric Assn
- North Itasca Electric Coop

2020 CIP RESULTS

The CIP accomplishments for GRE members for 2020 are summarized in the graphs and tables below. The statutory energy savings goal and spending amounts are outlined in Table 1.

Table 1. Minnesota Utility Energy Savings Goal and Spending Amounts

Metric	Amount	Baseline Year(s)	Citation
Energy Savings (kWh)	1.5% of average weather-normalized retail sales at the generator, less sales to CIP exempt customers	2016-2018	Minn. Stat. § 216B.241 subd. 1c(b)
Total Spending (\$)	1.5% of retail gross operating revenue, less revenues from exempt customers	2018	Minn. Stat. § 216B.241 subd. 1b
Low-Income Spending (\$)	0.2% of average residential gross operating revenue of each member utility	2016-2018	Minn. Stat. § 216B.241 subd. 1(l) Minn. Stat. § 216B.241 subd. 7(a)

Additionally, my Staff have provided an [appendix](#) at the end of this letter summarizing these and additional components of the CIP statute.

2020 Energy Savings Results

Figure 1 shows GRE's aggregate CIP energy savings for 2020.

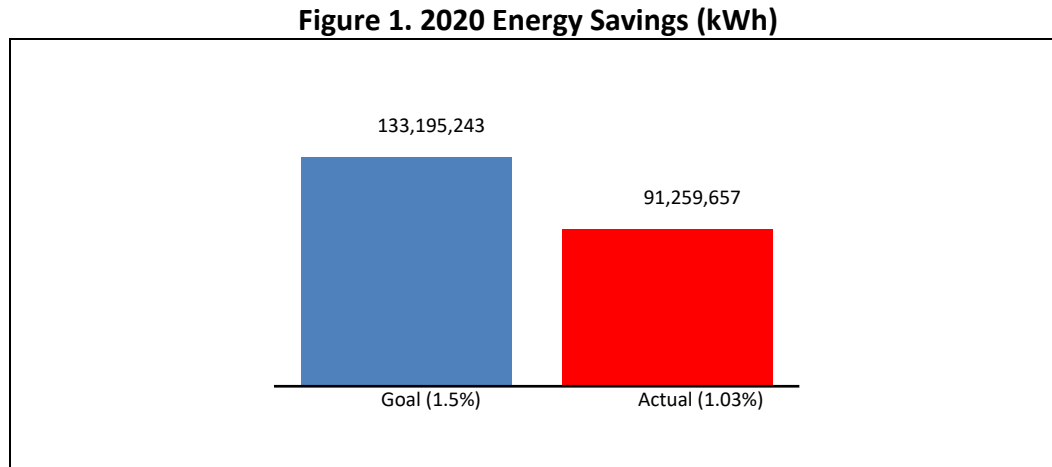


Table 2 provides a summary of GRE's CIP energy savings achievements by member.

Table 2. 2020 Energy Savings Results

Member Organization	Energy Savings Goal (kWh)	Actual Energy Savings (kWh)
Arrowhead	1,082,058	174,443
BENCO	4,793,971	1,974,881
Brown	2,050,960	420,991
Connexus	29,792,581	20,001,915
Cooperative	1,493,400	381,609
Dakota	27,470,825	28,459,203
East Central	13,941,203	7,167,618
Goodhue	1,417,211	432,009
Itasca Mantrap	3,197,861	4,024,216
Kandiyohi	2,405,905	1,072,969
Lake Country	9,076,233	5,781,964
Lake Region	6,528,771	2,430,160
McLeod	2,539,060	458,385
Mille Lacs	2,941,447	2,212,315
Nobles	2,266,249	1,181,298
North Itasca	4,092,620	137,731
Runestone	3,426,778	2,503,493
Stearns	7,773,376	6,259,670
Steele Waseca	4,295,555	4,475,674
Todd Wadena	2,609,179	1,709,115
Total	133,195,243	91,259,657

2020 Total Spending Results

Figure 2 shows GRE's aggregate CIP spending for 2020.

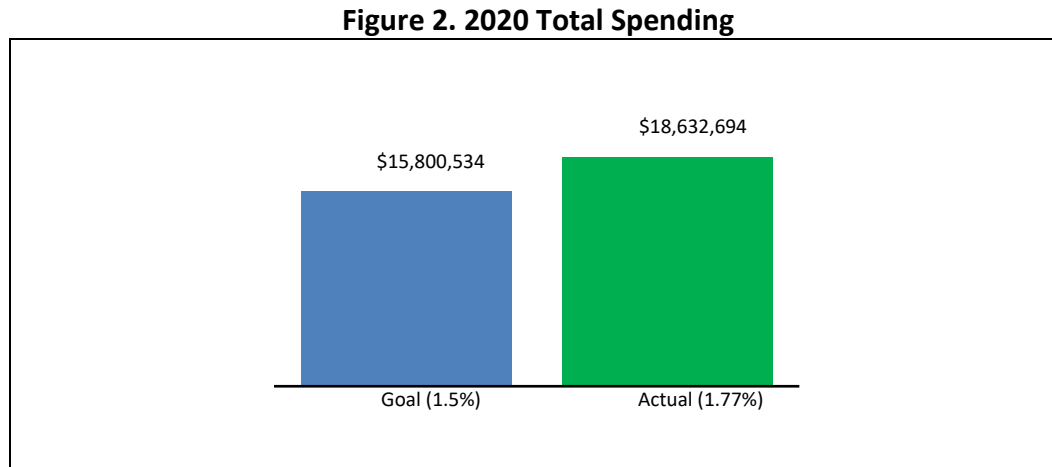


Table 3 provides a summary of GRE's CIP spending by member.

Table 3. 2020 Spending Results

Member Organization	Minimum Spending	Actual Spending
Arrowhead	\$150,142	\$130,373
BENCO	\$561,713	\$780,152
Brown	\$207,851	\$192,273
Connexus	\$3,751,089	\$4,603,458
Cooperative	\$192,120	\$209,597
Dakota	\$3,027,333	\$3,843,375
East Central	\$1,831,421	\$2,061,806
Goodhue	\$188,586	\$94,467
Itasca Mantrap	\$374,389	\$477,516
Kandiyohi	\$307,109	\$222,274
Lake Country	\$1,316,127	\$1,682,957
Lake Region	\$762,287	\$769,925
McLeod	\$301,632	\$234,208
Mille Lacs	\$385,620	\$503,721
Nobles	\$215,987	\$301,210
North Itasca	\$128,959	\$167,548
Runestone	\$421,389	\$737,322
Stearns	\$880,623	\$721,355
Steele Waseca	\$492,018	\$526,746
Todd Wadena	\$304,140	\$372,411
Total	\$15,800,534	\$18,632,694

2020 Low-Income Spending Results

While Department policy currently allows cooperatives and municipalities to count a portion of general residential spending as spending on low-income customers, the Department strongly encourages all utilities to meet their low-income spending amounts through programs that directly serve the needs of low-income persons. Figure 3 shows low-income CIP spending for 2020 for each of GRE's members. Please note that the low-income spending metric applies to each member utility individually.

Figure 3. 2020 Low-Income Spending

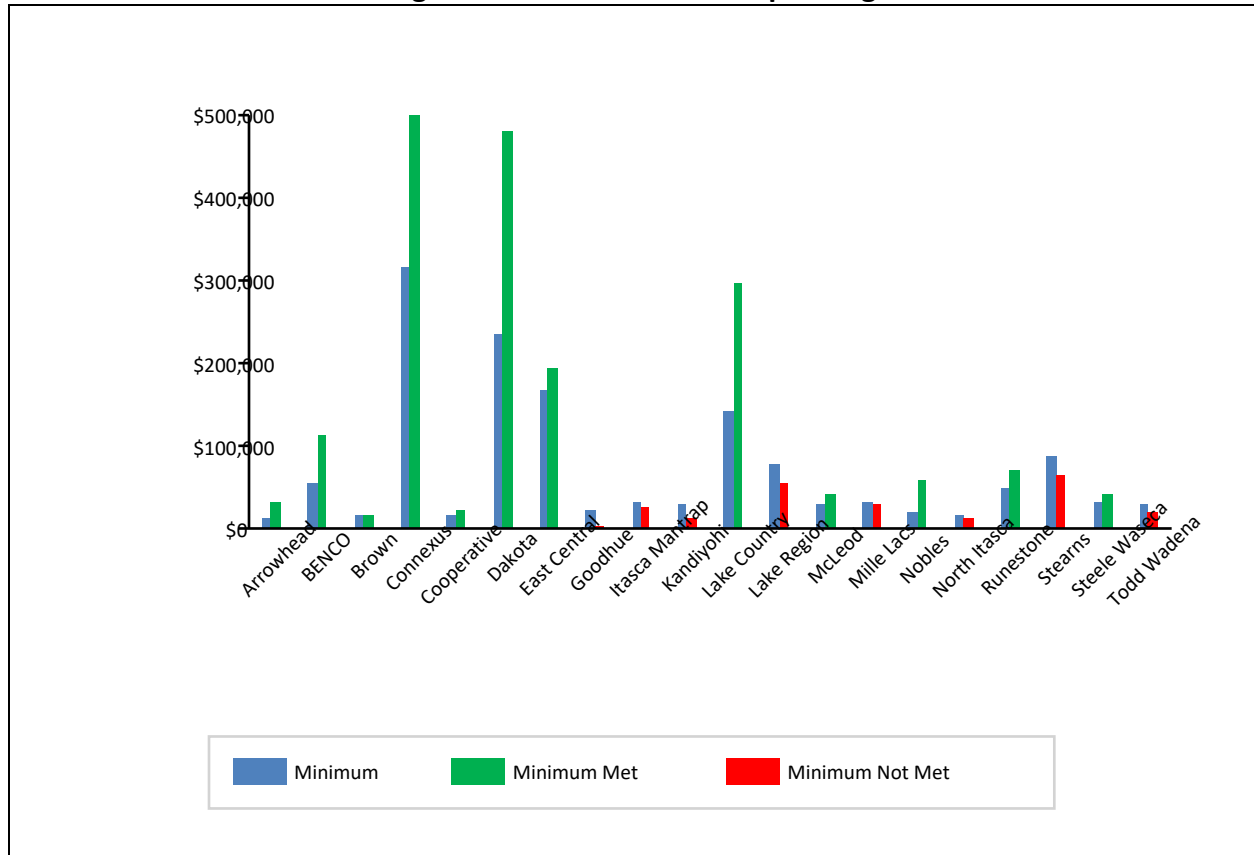


Table 4 provides a summary of GRE's low-income CIP spending by member.

Table 4. 2020 Low-Income Spending Results

Member Organization	Minimum Spending	Actual Spending	Passed
Arrowhead	\$12,527	\$31,620	Yes
BENCO	\$53,787	\$112,211	Yes
Brown	\$15,596	\$16,521	Yes
Connexus	\$316,200	\$498,718	Yes
Cooperative	\$15,172	\$22,639	Yes
Dakota	\$234,443	\$480,496	Yes
East Central	\$167,412	\$191,366	Yes
Goodhue	\$22,487	\$2,559	No
Itasca Mantrap	\$30,718	\$24,286	No
Kandiyohi	\$27,311	\$12,688	No
Lake Country	\$139,701	\$297,016	Yes
Lake Region	\$76,436	\$54,730	No
McLeod	\$28,884	\$42,021	Yes
Mille Lacs	\$33,046	\$27,160	No
Nobles	\$20,348	\$58,113	Yes
North Itasca	\$14,335	\$10,982	No
Runestone	\$46,412	\$70,556	Yes
Stearns	\$85,379	\$63,547	No
Steele Waseca	\$32,352	\$41,115	Yes
Todd Wadena	\$28,264	\$18,086	No
Total	\$1,400,809	\$2,076,429	N/A

2020 Spending Caps on Optional Investments

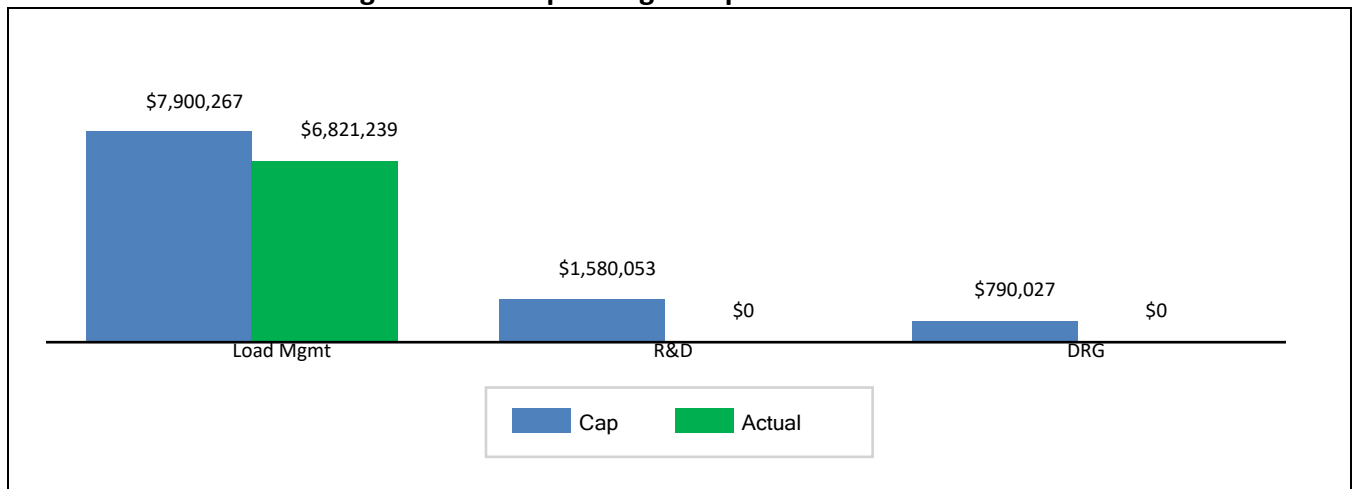
In addition to the energy savings goal, and the total and low-income spending amounts, there are some caps on spending amounts for certain optional investments. These spending caps are listed in Table 5.

Table 5. CIP Spending Caps on Optional Investments

Optional Investment	Spending Cap	Citation
Load Management Programs	Up to 50% of minimum spending	Minn. Stat. § 216B.241 subd. 1(k) Minn. Stat. § 216B.241 subd. 1b(e)
R&D Activities	10% of minimum spending	Minn. Stat. § 216B.241 subd. 2(c)
Distributed and Renewable Generation (DRG) Programs	5% of minimum spending	Minn. Stat. § 216B.241 subd. 1

Figure 4 shows GRE's aggregate spending on load management, research and development, and distributed and renewable generation investments.

Figure 4. 2020 Spending on Optional Investments



2020 Summary of Results

Table 6 provides a summary of GRE's accomplishments concerning the components of the CIP statute.

Table 6. Summary of 2020 Results Compliance

Metric	Passed
Energy Savings (kWh)	No
Total Spending (\$)	Yes
Low-Income Spending (\$)	No
R&D Spending Cap (\$)	Yes
Distributed and Renewable Generation Spending Cap (\$)	Yes
Load Management Spending (\$)	Yes

2022 PLAN REVIEW

The CIP plan for 2022 presented by GRE is summarized in the graphs and tables below.

2022 Energy Savings Goal

Figure 5 shows GRE's planned aggregate CIP energy savings for 2022.

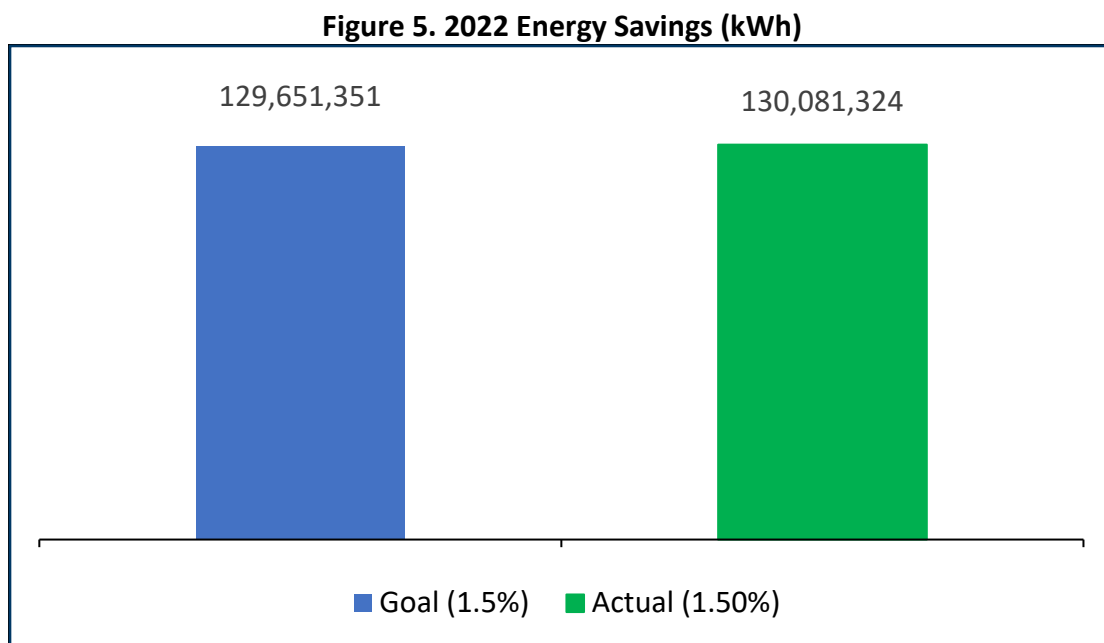


Table 7 provides a summary of GRE's planned CIP energy savings by member.

Table 7. 2022 Planned Energy Savings

Member Organization	Energy Savings Goal (kWh)	Planned Energy Savings (kWh)
Arrowhead	1,103,669	1,080,713
BENCO	4,590,878	5,068,592
Brown	1,628,046	1,728,379
Connexus	30,173,589	30,173,591
Cooperative Light & Power	1,520,153	1,488,783
Dakota	27,161,843	26,873,210
East Central	14,192,518	14,074,519
Goodhue	1,462,070	1,480,817
Itasca Mantrap	3,234,808	3,204,141
Kandiyohi	2,466,888	2,477,320
Lake Country	9,369,928	9,072,413
Lake Region	6,838,365	6,719,939
McLeod	2,188,070	2,164,945
Mille Lacs	3,035,643	3,022,939
Nobles	1,839,741	1,825,828
North Itasca	784,355	950,442
Runestone	3,577,172	3,535,235
Stearns	7,964,238	7,947,181
Steele Waseca	3,698,625	4,429,619
Todd Wadena	2,820,752	2,762,718
Total	129,651,351	130,081,324

2022 Total Spending Amounts

Figure 6 shows GRE's planned aggregate CIP spending for 2022.

Figure 6. 2022 Total Spending

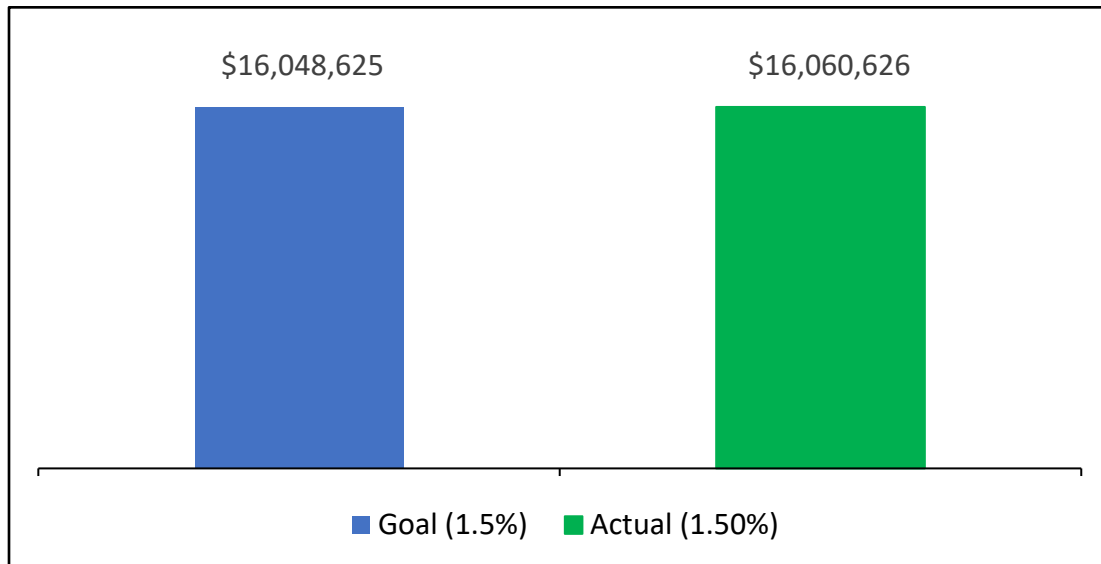


Table 8 provides a summary of GRE's planned CIP spending by member.

Table 8. 2022 Planned Spending

Member Organization	Minimum Spending	Planned Spending
Arrowhead	\$151,003	\$106,807
BENCO	\$667,116	\$701,368
Brown	\$204,638	\$196,968
Connexus	\$3,680,604	\$3,669,976
Cooperative Light & Power	\$189,845	\$192,169
Dakota	\$3,109,722	\$3,109,816
East Central	\$1,850,060	\$1,834,894
Goodhue	\$188,754	\$212,074
Itasca Mantrap	\$363,589	\$378,128
Kandiyohi	\$313,903	\$319,667
Lake Country	\$1,340,467	\$1,343,217
Lake Region	\$794,039	\$798,939
McLeod	\$275,484	\$278,276
Mille Lacs	\$412,829	\$420,261
Nobles	\$250,846	\$208,805
North Itasca	\$130,804	\$131,122
Runestone	\$432,845	\$428,255
Stearns	\$899,207	\$903,218
Steele Waseca	\$499,595	\$521,403
Todd Wadena	\$293,275	\$305,262
Total	\$16,048,625	\$16,060,626

2022 Low-Income Spending Amounts

Figure 7 shows GRE's planned low-income CIP spending for 2022. Please note that the low-income spending metric applies to each member utility individually.

Figure 7. 2022 Low-Income Spending

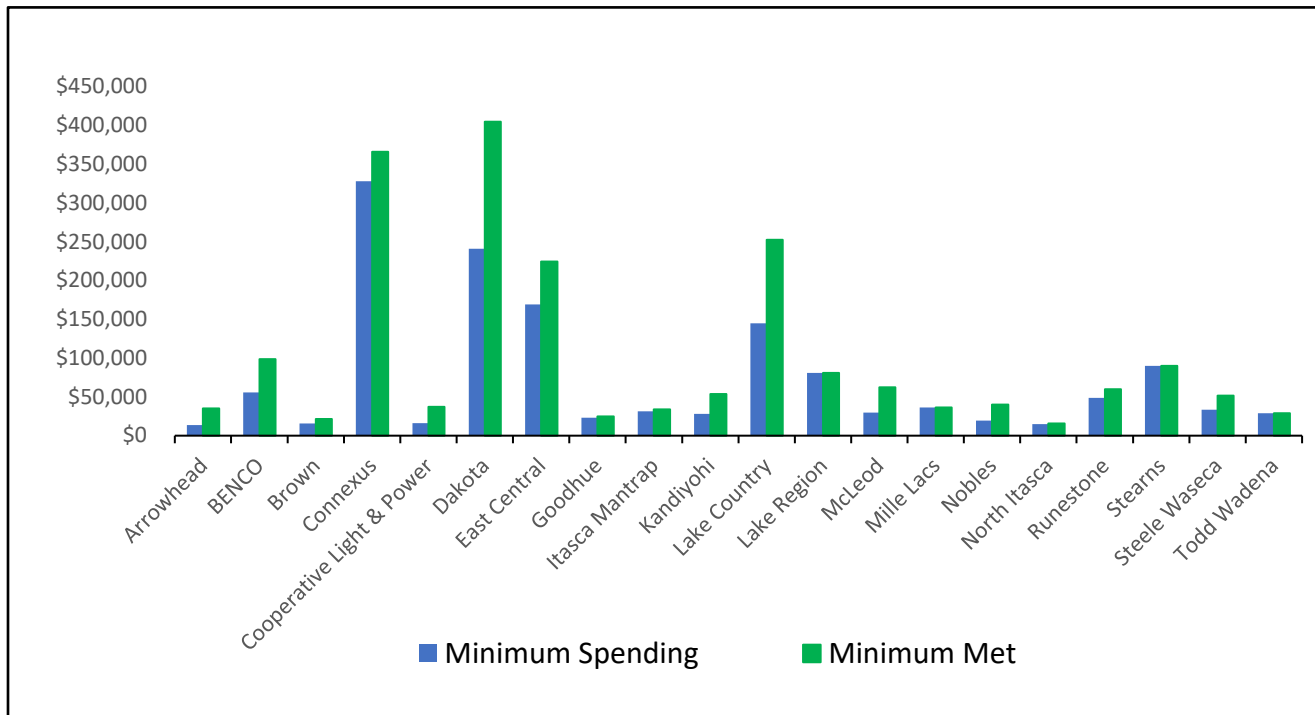


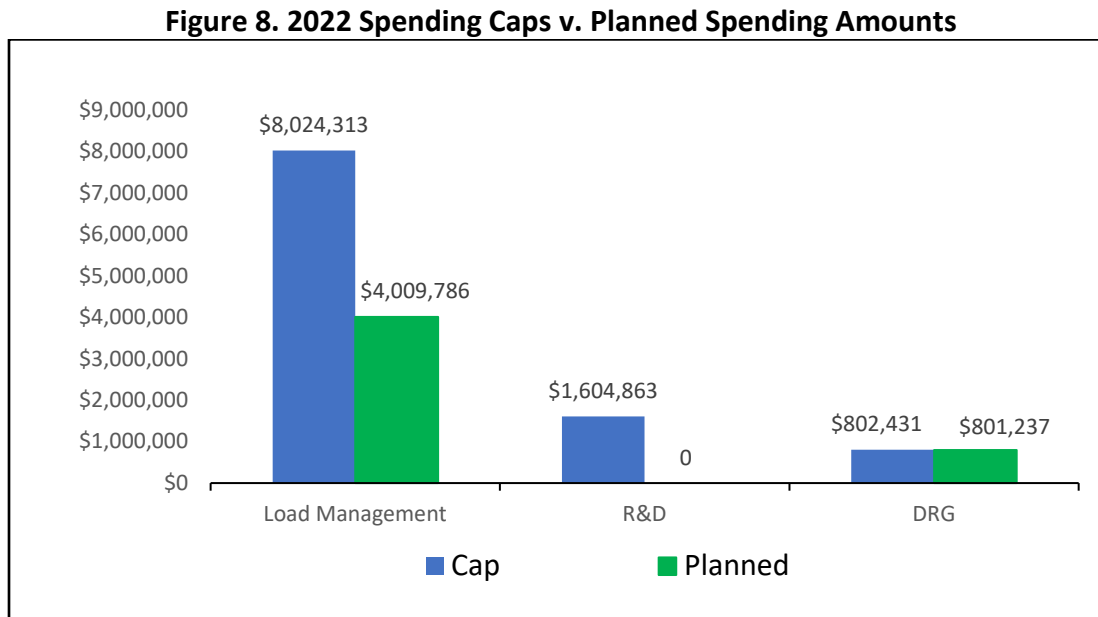
Table 9 provides a summary of GRE's planned low-income CIP spending by member.

Table 9. 2022 Planned Low-Income Spending

Member Organization	Minimum Spending	Planned Spending	Passed
Arrowhead	\$13,701	\$35,296	Yes
BENCO	\$55,604	\$98,821	Yes
Brown	\$15,739	\$21,553	Yes
Connexus	\$327,844	\$366,061	Yes
Cooperative Light & Power	\$16,153	\$37,078	Yes
Dakota	\$240,757	\$404,668	Yes
East Central	\$169,080	\$224,478	Yes
Goodhue	\$23,188	\$24,630	Yes
Itasca Mantrap	\$31,324	\$33,749	Yes
Kandiyohi	\$28,175	\$53,554	Yes
Lake Country	\$144,823	\$252,406	Yes
Lake Region	\$80,906	\$81,027	Yes
McLeod	\$29,612	\$62,529	Yes
Mille Lacs	\$36,469	\$36,475	Yes
Nobles	\$19,507	\$40,171	Yes
North Itasca	\$14,827	\$15,893	Yes
Runestone	\$48,832	\$59,820	Yes
Stearns	\$89,774	\$90,019	Yes
Steele Waseca	\$33,508	\$51,510	Yes
Todd Wadena	\$28,804	\$28,822	Yes
Total	\$1,448,627	\$2,018,559	N/A

2022 Spending Caps on Optional Investments

Figure 8 shows GRE's planned aggregate spending on load management, research and development, and distributed and renewable generation investments.



2022 Summary of Plan

Table 10 provides a summary of GRE's plan concerning the components of the CIP statute.

Table 10. Summary of 2022 Plan Compliance

Requirement	Passed
Energy Savings (kWh)	Yes
Total Spending (\$)	Yes
Low-Income Spending (\$)	Yes
R&D Spending Cap (\$)	Yes
Distributed and Renewable Generation Spending Cap (\$)	Yes
Load Management Spending (\$)	Yes

Green Building Standards

Each utility and association must offer one or more programs that meet the following provisions to support green building standards.

Facilitate professional engineering verification to qualify a building for green building certification	§ 216B.241 subd. 1f(c)
Support goals consistent with Sustainable Buildings 2030 (SB 2030) performance standards	§ 216B.241 subd. 9(e)

My Staff recommend that utilities offer a subsidy for design assistance and/or certification expenses on a case by case basis within their commercial and industrial program(s).

FUTURE REPORTING

The next scheduled report will be on August 1, 2022, when GRE will need to report expenditures and energy savings for 2021, budgets and energy savings goals for 2023, and updated program designs for 2023.

DECISION

With this letter, I accept GRE's reporting of results for the 2020 CIP program year, noting that GRE did not meet all the components of the statutes, and approve GRE's CIP plan for 2022. Thank you for GRE's continued contributions to Minnesota's energy efficiency and conservation goals. Please contact Anthony Fryer at anthony.fryer@state.mn.us or 651-539-1858 or Laura Silver at laura.silver@state.mn.us or 651-539-1873 with any questions or concerns.

Sincerely,



KEVIN LEE
Deputy Commissioner
Minnesota Department of Commerce,
Division of Energy Resources

KL/LNS

SUMMARY OF CIP FOR ELECTRIC UTILITIES¹

Minnesota Statutes § 216B.241 apply to municipal electric utilities that provide electric service to more than 1,000 retail customers and to cooperative electric associations that provide retail service to more than 5,000 members.

Energy Savings

- *Minimum Annual Energy Savings Goals:* Minnesota Statutes § 216B.241 subd. 1c(b) requires each non-exempt utility and association to have an annual energy savings goal equal to 1.5 percent of gross annual retail sales. The energy savings goal should be calculated using the most recent 3-year weather-normalized average. Please refer to the [summary table in the section below](#) for the 3-year average used to calculate the savings requirement.
- *Electric Utility Infrastructure (EUI) Projects:* Minnesota Statutes § 216B.241 subd. 1c(d) allows a utility or association to claim energy savings resulting from EUI projects on top of a minimum energy savings goal of 1 percent from energy conservation improvements, provided the EUI projects result in energy efficiencies greater than what would occur through normal maintenance activity. For further information, please review the Department's Decision filed on February 20, 2018 in docket 17-856 in the matter of [Claiming Energy Savings through Electric Utility Infrastructure Improvements and the Carry Forward Provision](#) and the Department's Decision filed on October 22, 2018 in docket 18-543 in the matter of [Determining Normal Maintenance Activities and CIP Review Process for Electric Utility Infrastructure Projects](#).
- *Carry Forward Provision:* Minnesota Statutes § 216B.241 Subd. 1c(b) allows a utility or association to elect to carry forward energy savings in excess of 1.5 percent for a year to the succeeding three calendar years, except that savings from EUI projects may be carried forward for five years. For further information, please review the Department's Decision filed on

¹ The statutes are available at the website for the Office of the Revisor of Statutes:
<https://www.revisor.mn.gov/statutes/?id=216B.241>.

February 20, 2018 in docket 17-856 in the matter of [Claiming Energy Savings through Electric Utility Infrastructure Improvements and the Carry Forward Provision](#).

CIP Spending

- *Minimum Spending:* Minnesota Statutes § 216B.241 subd. 1b requires each non-exempt cooperative electric association and electric municipal utility to invest a minimum of 1.5 percent of its Minnesota gross operating revenues (GOR), excluding revenue from any CIP-exempt customers, on CIP. Please refer to the [summary table in the section below](#) for the baseline year used to calculate the spending requirement.
- *Low-Income Spending:* Minnesota Statutes § 216B.241 subd. 7(a) and (c) require each non-exempt electric utility to invest a minimum of 0.2 percent of its residential Minnesota GOR on CIP programs that directly serve the needs of low-income persons, including renters. Please refer to the [summary table in the section below](#) for the baseline years used to calculate the low-income spending requirement.²
- *Electric Utility Infrastructure (EUI) Projects:* Minnesota Statutes § 216B.241 subd. 1(e) does not allow spending on EUI projects to count towards the CIP spending requirement.

Spending Caps on Optional Investments

- *Research and Development (R&D) Spending Cap:* Minnesota Statutes § 216B.241 subd. 2(c) allows each utility and association to spend up to 10 percent of a utility's minimum spending requirement on R&D projects.
- *Distributed and Renewable Generation (DRG) Cap:* Minnesota Statutes § 216B.2411 subd. 1 allows each utility and association to spend up to 5 percent of a utility's minimum spending requirement on DRG.³

² While Department policy currently allows cooperatives and municipalities to count a portion of general residential spending as low-income, the Department strongly encourages all utilities to meet their low-income spending requirements through programs that directly serve the needs of low-income persons, including renters.

³ Utilities may not use green pricing programs to achieve CIP requirements.

- *Load-Management Activities:* Minnesota Statutes § 216B.241 subd. 1b(e) allows each utility and association to use load-management activities to achieve up to 50 percent of a utility's minimum spending requirement.

Green Building Standards

- *Green Building Standards:* Minnesota Statutes § 216B.241 subd. 1f(c) and § 216B.241 subd. 9(e) require that each non-exempt utility and association offer one or more programs that support green building certification of commercial buildings and that support goals consistent with Sustainable Buildings 2030 standards.

BASE YEARS FOR CIP CALCULATIONS

Specific base years are used to calculate the statutory minimum requirements for the energy savings, total spending, and low-income spending goals. The table below summarizes the base years to be used to calculate the minimum requirements for CIP results and plans reviewed in this letter.

Base Years for CIP Minimum Requirements Calculations

Filing Type	Minimum Energy Savings Rqmt 1.5% of:	Minimum Spending Rqmt 1.5% of:	Minimum Low-Income Spending Rqmt 0.2% of:
2020 Results	2016-2018 average retail sales	2018 gross operating revenues	2016-2018 residential gross operating revenues
2022 Plan	2018-2020 average retail sales	2020 gross operating revenues	2018-2020 average residential gross operating revenues

June 23, 2022

Jeffrey Haase
Great River Energy - Fixed members
12300 Elm Creek Blvd.
Maple Grove, MN 55369

RE: Electric Conservation Improvement Program (CIP) 2020 Results and 2022 Plans

Dear Jeffrey Haase:

Thank you very much for Great River Energy - Fixed members' (GRE) efforts and those of its members to report 2020 Conservation Improvement Program (CIP) results and a 2022 CIP plan in ReportingESP. My Staff at the Minnesota Department of Commerce, Division of Energy Resources (Department) have finished reviewing this information.

Minnesota Statutes Section 216B.241 Subd 1b(f) provides that a generation and transmission cooperative electric association, a municipal power agency, or other not-for-profit entity that provides energy service to cooperative or municipal utilities that provide electric service at retail to consumers may invest in energy conservation improvements on behalf of the associations it serves and may fulfill the CIP conservation, spending, reporting, and energy-savings goals on an aggregate basis. The information presented in this letter reflects the aggregate effort of the members of GRE indicated. There may be additional retail utilities that GRE provides electric services to that are not represented in the aggregate results included in this letter. The Department notes that the following exempt utilities are continuing to offer programs and report with GRE:

- Agralite Cooperative
- Redwood Electric Cooperative – Redwood is included in GRE's 2020 reporting but not in the 2022 plan.

2020 CIP RESULTS

The CIP accomplishments for GRE members for 2020 are summarized in the graphs and tables below. The statutory energy savings goal and spending amounts are outlined in Table 1.

Table 1. Minnesota Utility Energy Savings Goal and Spending Amounts

Metric	Amount	Baseline Year(s)	Citation
Energy Savings (kWh)	1.5% of average weather-normalized retail sales at the generator, less sales to CIP exempt customers	2016-2018	Minn. Stat. § 216B.241 subd. 1c(b)
Total Spending (\$)	1.5% of retail gross operating revenue, less revenues from exempt customers	2018	Minn. Stat. § 216B.241 subd. 1b
Low-Income Spending (\$)	0.2% of average residential gross operating revenue of each member utility	2016-2018	Minn. Stat. § 216B.241 subd. 1(l) Minn. Stat. § 216B.241 subd. 7(a)

Additionally, my Staff have provided an [appendix](#) at the end of this letter summarizing these and additional components of the CIP statute.

2020 Energy Savings Results

Figure 1 shows GRE's aggregate CIP energy savings for 2020.

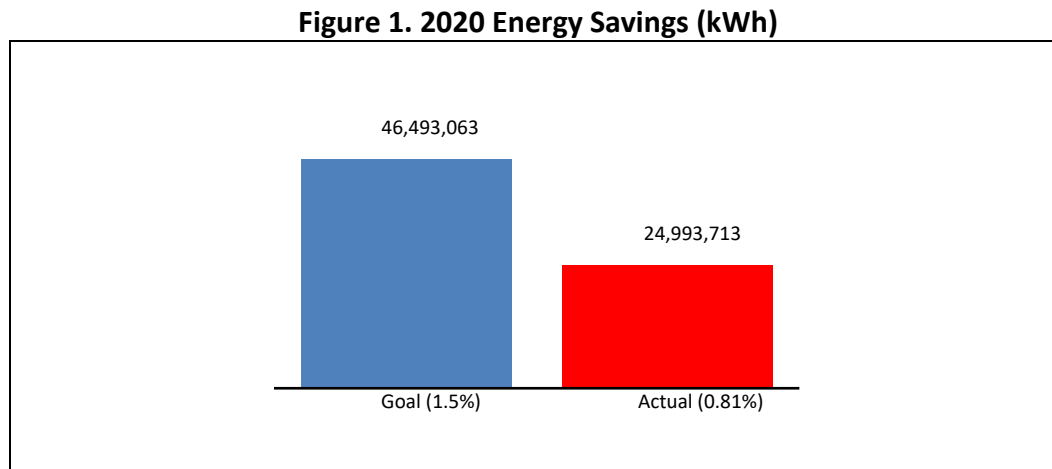


Table 2 provides a summary of GRE's CIP energy savings achievements by member.

Table 2. 2020 Energy Savings Results

Member Organization	Energy Savings Goal (kWh)	Actual Energy Savings (kWh)
Agralite	3,474,854	2,221,749
Crow Wing	8,785,651	3,054,972
Federated	4,408,968	7,401,538
Meeker	2,758,479	638,687
Minnesota Valley	12,101,687	4,840,617
Redwood	1,637,530	0
Wright-Hennepin	13,325,895	6,836,151
Total	46,493,063	24,993,713

2020 Total Spending Results

Figure 2 shows GRE's aggregate CIP spending for 2020.

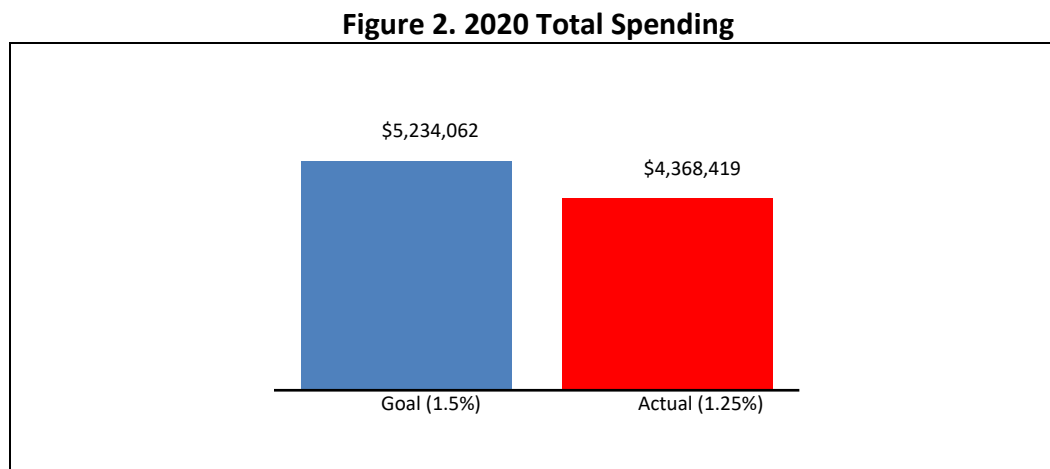


Table 3 provides a summary of GRE's CIP spending by member.

Table 3. 2020 Spending Results

Member Organization	Minimum Spending	Actual Spending
Agralite	\$330,183	\$360,351
Crow Wing	\$1,077,596	\$496,406
Federated	\$446,539	\$549,890
Meeker	\$387,600	\$262,000
Minnesota Valley	\$1,277,135	\$1,455,811
Redwood	\$156,086	\$0
Wright-Hennepin	\$1,558,923	\$1,243,962
Total	\$5,234,062	\$4,368,419

2020 Low-Income Spending Results

While Department policy currently allows cooperatives and municipalities to count a portion of general residential spending as spending on low-income customers, the Department strongly encourages all utilities to meet their low-income spending amounts through programs that directly serve the needs of low-income persons. Figure 3 shows low-income CIP spending for 2020 for each of GRE's members. Please note that the low-income spending metric applies to each member utility individually.

Figure 3. 2020 Low-Income Spending

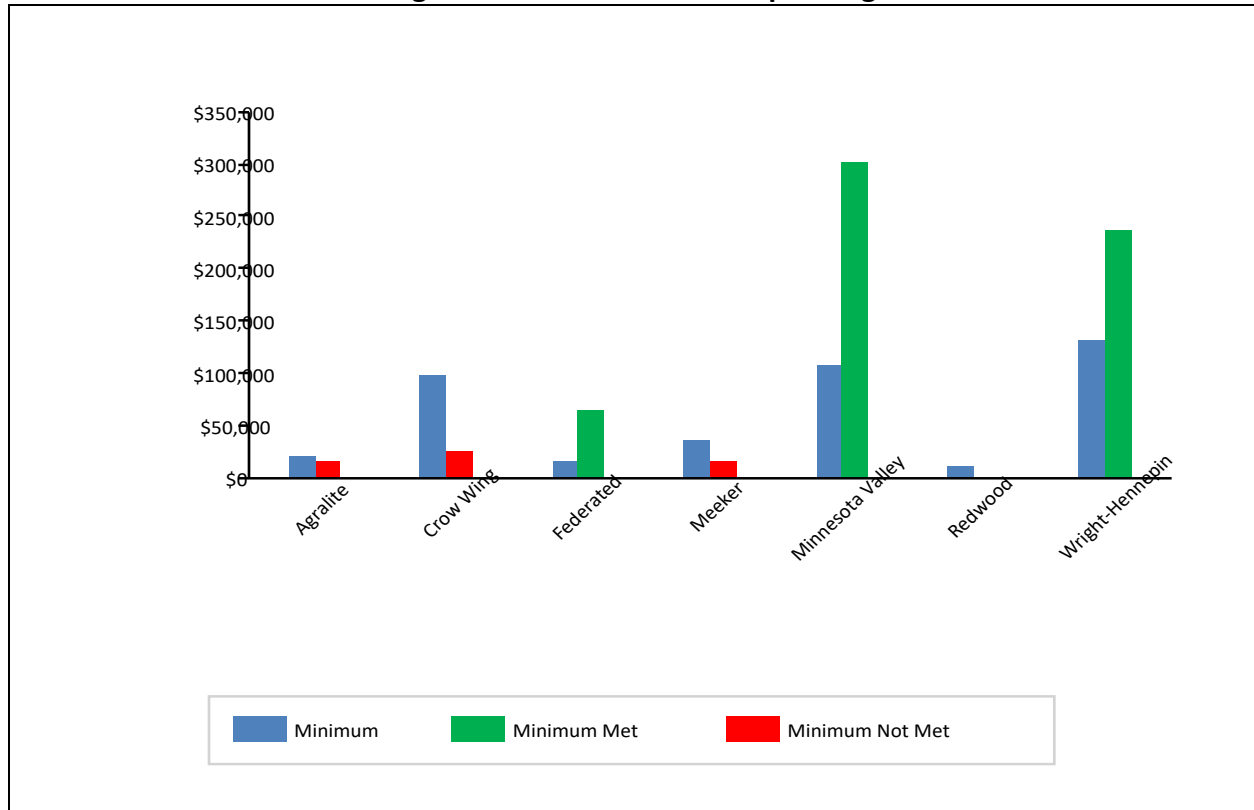


Table 4 provides a summary of GRE's low-income CIP spending by member.

Table 4. 2020 Low-Income Spending Results

Member Organization	Minimum Spending	Actual Spending	Passed
Agralite	\$19,964	\$16,100	No
Crow Wing	\$98,643	\$26,909	No
Federated	\$16,821	\$65,261	Yes
Meeker	\$35,248	\$15,766	No
Minnesota Valley	\$106,918	\$300,904	Yes
Redwood	\$11,169	\$0	No
Wright-Hennepin	\$131,395	\$236,815	Yes
Total	\$420,158	\$661,755	N/A

2020 Spending Caps on Optional Investments

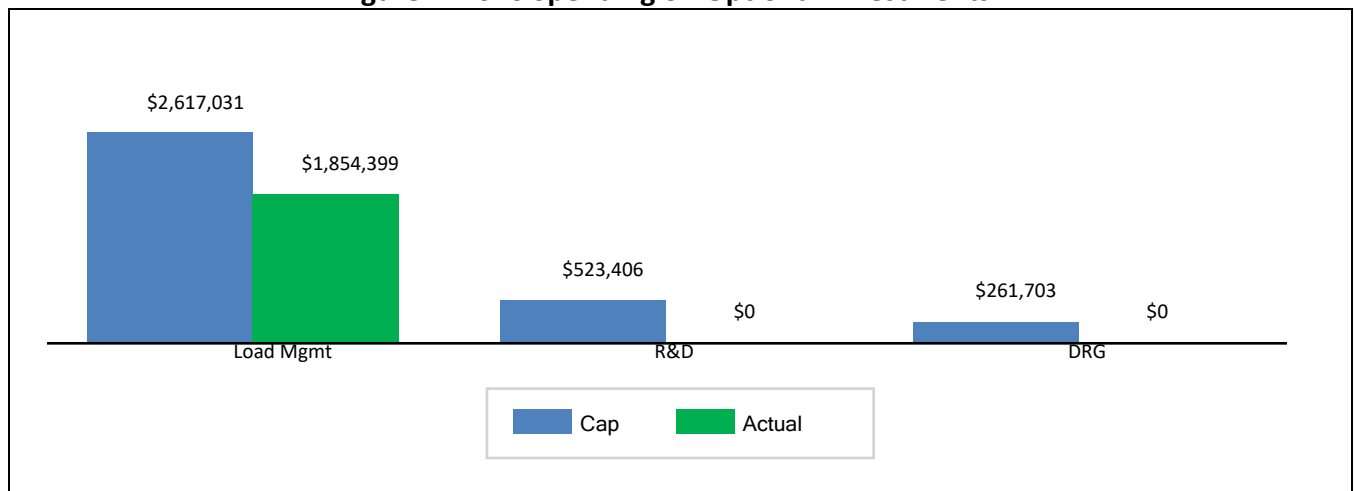
In addition to the energy savings goal, and the total and low-income spending amounts, there are some caps on spending amounts for certain optional investments. These spending caps are listed in Table 5.

Table 5. CIP Spending Caps on Optional Investments

Optional Investment	Spending Cap	Citation
Load Management Programs	Up to 50% of minimum spending	Minn. Stat. § 216B.241 subd. 1(k) Minn. Stat. § 216B.241 subd. 1b(e)
R&D Activities	10% of minimum spending	Minn. Stat. § 216B.241 subd. 2(c)
Distributed and Renewable Generation (DRG) Programs	5% of minimum spending	Minn. Stat. § 216B.241 subd. 1

Figure 4 shows GRE's aggregate spending on load management, research and development, and distributed and renewable generation investments.

Figure 4. 2020 Spending on Optional Investments



2020 Summary of Results

Table 6 provides a summary of GRE's accomplishments concerning the components of the CIP statute.

Table 6. Summary of 2020 Results Compliance

Metric	Passed
Energy Savings (kWh)	No
Total Spending (\$)	No
Low-Income Spending (\$)	No
R&D Spending Cap (\$)	Yes
Distributed and Renewable Generation Spending Cap (\$)	Yes
Load Management Spending (\$)	Yes

2022 PLAN REVIEW

The CIP plan for 2022 presented by GRE is summarized in the graphs and tables below.

2022 Energy Savings Goal

Figure 5 shows GRE's planned aggregate CIP energy savings for 2022.

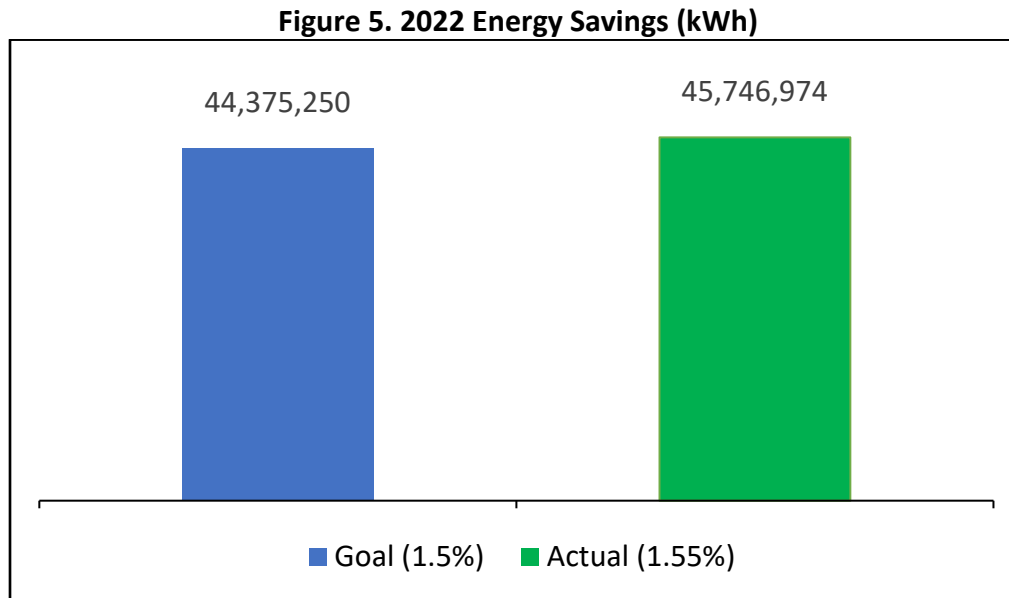


Table 7 provides a summary of GRE's planned CIP energy savings by member.

Table 7. 2022 Planned Energy Savings

Member Organization	Energy Savings Goal (kWh)	Planned Energy Savings (kWh)
Agralite	2,740,446	3,077,035
Crow Wing	9,403,000	9,458,212
Federated	3,208,813	3,835,919
Meeker	3,013,168	3,053,069
MN Valley	12,356,833	12,853,167
Wright Hennepin	13,652,990	13,469,573
Total	44,375,250	45,746,974

2022 Total Spending Amounts

Figure 6 shows GRE's planned aggregate CIP spending for 2022.

Figure 6. 2022 Total Spending

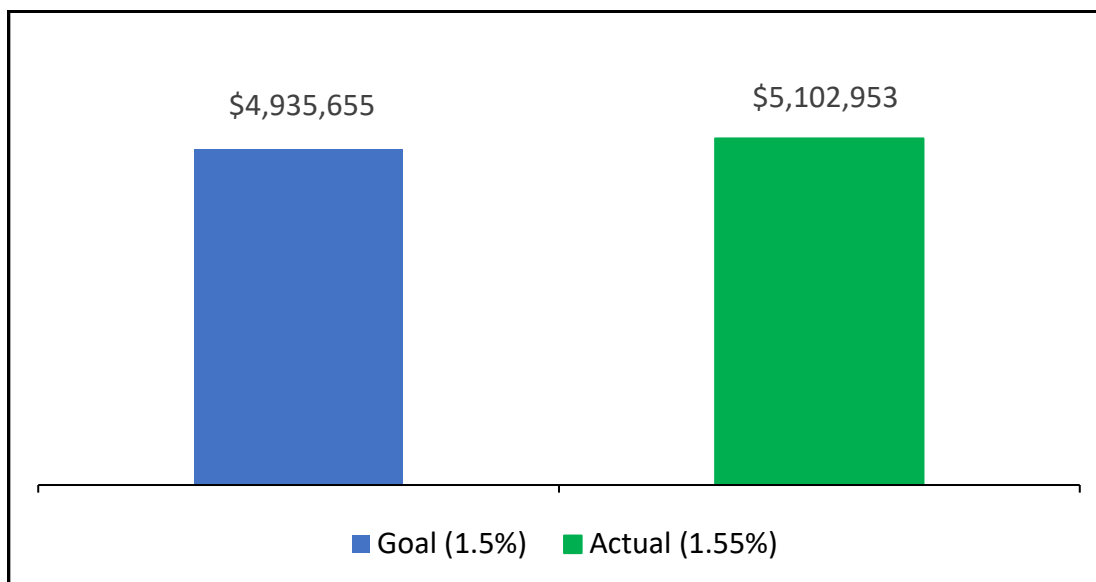


Table 8 provides a summary of GRE's planned CIP spending by member.

Table 8. 2022 Planned Spending

Member Organization	Minimum Spending	Planned Spending
Agralite	\$285,896	\$339,985
Crow Wing	\$1,091,164	\$1,117,064
Federated	\$351,678	\$343,247
Meeker	\$326,126	\$358,538
MN Valley	\$1,364,130	\$1,337,889
Wright Hennepin	\$1,516,661	\$1,606,230
Total	\$4,935,655	\$5,102,953

2022 Low-Income Spending Amounts

Figure 7 shows GRE's planned low-income CIP spending for 2022. Please note that the low-income spending metric applies to each member utility individually.

Figure 7. 2022 Low-Income Spending

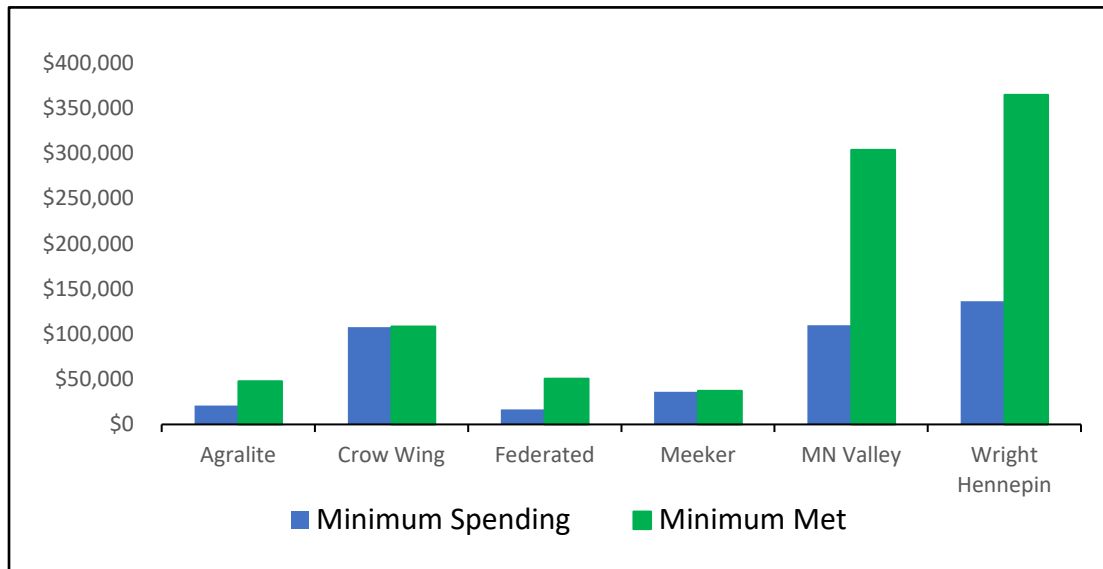


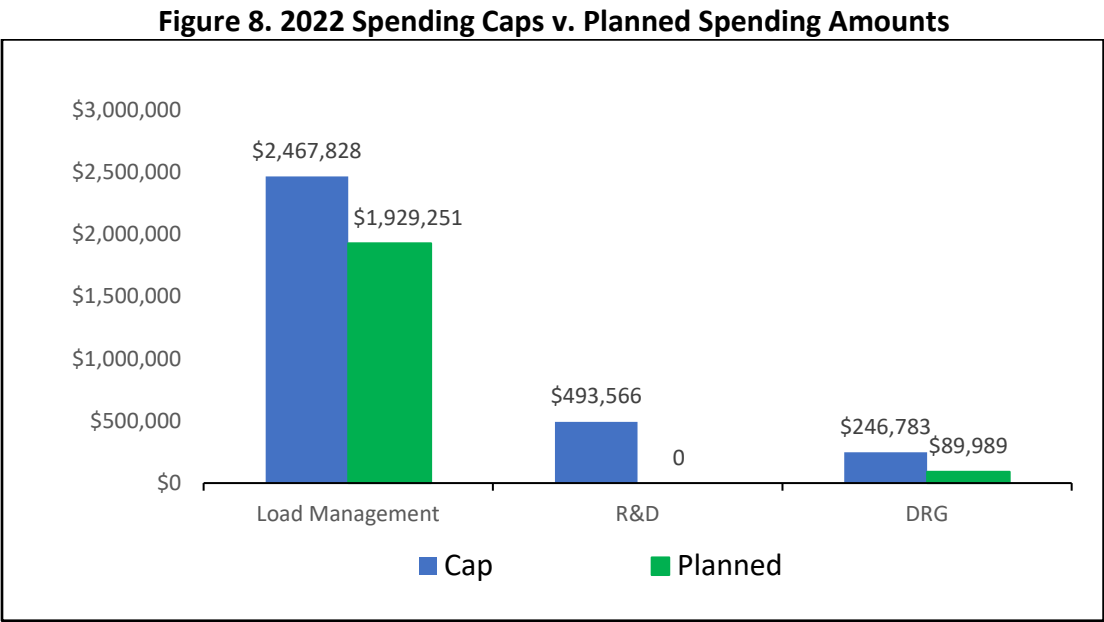
Table 9 provides a summary of GRE's planned low-income CIP spending by member.

Table 9. 2022 Planned Low-Income Spending

Member Organization	Minimum Spending	Planned Spending	Passed
Agralite	\$20,742	\$47,673	Yes
Crow Wing	\$107,566	\$108,264	Yes
Federated	\$16,688	\$50,504	Yes
Meeker	\$36,268	\$37,003	Yes
MN Valley	\$109,621	\$303,877	Yes
Wright Hennepin	\$136,494	\$364,860	Yes
Total	\$427,379	\$912,180	N/A

2022 Spending Caps on Optional Investments

Figure 8 shows GRE's planned aggregate spending on load management, research and development, and distributed and renewable generation investments.



2022 Summary of Plan

Table 10 provides a summary of GRE's plan concerning the components of the CIP statute.

Table 10. Summary of 2022 Plan Compliance

Requirement	Passed
Energy Savings (kWh)	Yes
Total Spending (\$)	Yes
Low-Income Spending (\$)	Yes
R&D Spending Cap (\$)	Yes
Distributed and Renewable Generation Spending Cap (\$)	Yes
Load Management Spending (\$)	Yes

Green Building Standards

Each utility and association must offer one or more programs that meet the following provisions to support green building standards.

Facilitate professional engineering verification to qualify a building for green building certification	§ 216B.241 subd. 1f(c)
Support goals consistent with Sustainable Buildings 2030 (SB 2030) performance standards	§ 216B.241 subd. 9(e)

My Staff recommend that utilities offer a subsidy for design assistance and/or certification expenses on a case by case basis within their commercial and industrial program(s).

FUTURE REPORTING

The next scheduled report will be on August 1, 2022, when GRE will need to report expenditures and energy savings for 2021, budgets and energy savings goals for 2023, and updated program designs for 2023.

DECISION

With this letter, I accept GRE's reporting of results for the 2020 CIP program year, noting that GRE did not meet all the components of the statutes, and approve GRE's CIP plan for 2022. Thank you for GRE's continued contributions to Minnesota's energy efficiency and conservation goals. Please contact Anthony Fryer at anthony.fryer@state.mn.us or 651-539-1858 or Laura Silver at laura.silver@state.mn.us or 651-539-1873 with any questions or concerns.

Sincerely,



KEVIN LEE
Deputy Commissioner
Minnesota Department of Commerce,
Division of Energy Resources

KL/LNS

SUMMARY OF CIP FOR ELECTRIC UTILITIES¹

Minnesota Statutes § 216B.241 apply to municipal electric utilities that provide electric service to more than 1,000 retail customers and to cooperative electric associations that provide retail service to more than 5,000 members.

Energy Savings

- *Minimum Annual Energy Savings Goals:* Minnesota Statutes § 216B.241 subd. 1c(b) requires each non-exempt utility and association to have an annual energy savings goal equal to 1.5 percent of gross annual retail sales. The energy savings goal should be calculated using the most recent 3-year weather-normalized average. Please refer to the [summary table in the section below](#) for the 3-year average used to calculate the savings requirement.
- *Electric Utility Infrastructure (EUI) Projects:* Minnesota Statutes § 216B.241 subd. 1c(d) allows a utility or association to claim energy savings resulting from EUI projects on top of a minimum energy savings goal of 1 percent from energy conservation improvements, provided the EUI projects result in energy efficiencies greater than what would occur through normal maintenance activity. For further information, please review the Department's Decision filed on February 20, 2018 in docket 17-856 in the matter of [Claiming Energy Savings through Electric Utility Infrastructure Improvements and the Carry Forward Provision](#) and the Department's Decision filed on October 22, 2018 in docket 18-543 in the matter of [Determining Normal Maintenance Activities and CIP Review Process for Electric Utility Infrastructure Projects](#).
- *Carry Forward Provision:* Minnesota Statutes § 216B.241 Subd. 1c(b) allows a utility or association to elect to carry forward energy savings in excess of 1.5 percent for a year to the succeeding three calendar years, except that savings from EUI projects may be carried forward for five years. For further information, please review the Department's Decision filed on

¹ The statutes are available at the website for the Office of the Revisor of Statutes:
<https://www.revisor.mn.gov/statutes/?id=216B.241>.

February 20, 2018 in docket 17-856 in the matter of [Claiming Energy Savings through Electric Utility Infrastructure Improvements and the Carry Forward Provision](#).

CIP Spending

- *Minimum Spending:* Minnesota Statutes § 216B.241 subd. 1b requires each non-exempt cooperative electric association and electric municipal utility to invest a minimum of 1.5 percent of its Minnesota gross operating revenues (GOR), excluding revenue from any CIP-exempt customers, on CIP. Please refer to the [summary table in the section below](#) for the baseline year used to calculate the spending requirement.
- *Low-Income Spending:* Minnesota Statutes § 216B.241 subd. 7(a) and (c) require each non-exempt electric utility to invest a minimum of 0.2 percent of its residential Minnesota GOR on CIP programs that directly serve the needs of low-income persons, including renters. Please refer to the [summary table in the section below](#) for the baseline years used to calculate the low-income spending requirement.²
- *Electric Utility Infrastructure (EUI) Projects:* Minnesota Statutes § 216B.241 subd. 1(e) does not allow spending on EUI projects to count towards the CIP spending requirement.

Spending Caps on Optional Investments

- *Research and Development (R&D) Spending Cap:* Minnesota Statutes § 216B.241 subd. 2(c) allows each utility and association to spend up to 10 percent of a utility's minimum spending requirement on R&D projects.
- *Distributed and Renewable Generation (DRG) Cap:* Minnesota Statutes § 216B.2411 subd. 1 allows each utility and association to spend up to 5 percent of a utility's minimum spending requirement on DRG.³

² While Department policy currently allows cooperatives and municipalities to count a portion of general residential spending as low-income, the Department strongly encourages all utilities to meet their low-income spending requirements through programs that directly serve the needs of low-income persons, including renters.

³ Utilities may not use green pricing programs to achieve CIP requirements.

- *Load-Management Activities:* Minnesota Statutes § 216B.241 subd. 1b(e) allows each utility and association to use load-management activities to achieve up to 50 percent of a utility's minimum spending requirement.

Green Building Standards

- *Green Building Standards:* Minnesota Statutes § 216B.241 subd. 1f(c) and § 216B.241 subd. 9(e) require that each non-exempt utility and association offer one or more programs that support green building certification of commercial buildings and that support goals consistent with Sustainable Buildings 2030 standards.

BASE YEARS FOR CIP CALCULATIONS

Specific base years are used to calculate the statutory minimum requirements for the energy savings, total spending, and low-income spending goals. The table below summarizes the base years to be used to calculate the minimum requirements for CIP results and plans reviewed in this letter.

Base Years for CIP Minimum Requirements Calculations

Filing Type	Minimum Energy Savings Rqmt 1.5% of:	Minimum Spending Rqmt 1.5% of:	Minimum Low-Income Spending Rqmt 0.2% of:
2020 Results	2016-2018 average retail sales	2018 gross operating revenues	2016-2018 residential gross operating revenues
2022 Plan	2018-2020 average retail sales	2020 gross operating revenues	2018-2020 average residential gross operating revenues