



April 12, 2018

Representative Pat Garofalo
485 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd
St. Paul, MN 55155

RE: Concerns with Changes to CIP (HF 3794 & HF 4340)

Dear Chair Garofalo & House Job Growth and Energy Affordability Policy and Finance Committee Members,

Our organizations – representing consumer groups, the business community, the clean energy community and the hundreds of heating, cooling and lighting contractors all over the state -- urge you to not include any changes to the Conservation Improvement Program (CIP) in the omnibus supplemental budget bill your committee will be acting on this session.

CIP has consistently been Minnesota's most successful energy policy since its inception, saving Minnesota energy consumers over \$3.5 billion dollars just since 2007. We collectively recognize that, while conditions may warrant updating CIP to ensure it continues to provide significant consumer benefits, any changes to CIP must be data-driven and fully vetted to ensure against unintended consequences.

To this end, the Minnesota Department of Commerce has contracted to update the statewide potential for cost-effective energy efficiency available to utilities and customers across the state. This Statewide Energy Efficiency Potential Study will be available in the fall of 2018. The study is led by the Center for Energy and Environment and guided by a broad-based advisory committee including the Minnesota Chamber of Commerce, investor and customer owned utilities, and consumer groups. Information provided by the study will be critical in evolving CIP's path in Minnesota.

Cost-effective energy efficiency is Minnesota's lowest cost energy resource, reducing energy costs for all customers and giving individual utility customers greater control of their energy bills. In addition, contractors use CIP incentives to motivate customers to install high efficiency equipment, generating economic value to local economies and ensuring Minnesota businesses remain competitive. A recent economic analysis by the well-respected Cadmus Group revealed CIP delivers over \$4 in benefits for every \$1 spent on the program.

Once the results of the study come back in fall 2018, we look forward to using the study results to have a data-driven discussion about how to make CIP work best for Minnesota. Any changes to the program before we receive those results, though, would be premature.

So, we again urge you to not include any changes to CIP in the 2018 legislative session, and to work with us in 2019 to ensure that CIP continues to significantly benefit Minnesota energy consumers.

Thank you for your consideration and we all stand ready to answer any questions you might have.



Sincerely,

Annie Levenson-Falk
Executive Director
Citizens Utility Board of Minnesota

Cam Winton
Director, Energy and Labor-Management Policy
Minnesota Chamber of Commerce

Gary Thaden
Government Affairs Director
Minnesota Mechanical Contractors Association
Minnesota Contractors of National Electrical
Contractors Association

Clara DeRosier
Executive Director
Minnesota Electrical Association

Gregg Mast
Executive Director
Clean Energy Economy Minnesota

Mike Bull
Director of Policy and External Affairs
Center for Energy and Environment

Cc: Representative Pat Garofalo, Chair, House Job Growth and Energy Afford. Policy and Finance
Committee
Members, House Job Growth and Energy Affordability Policy and Finance Committee