



CITIZENS UTILITY BOARD

Empowering Minnesota Consumers

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March 19, 2024

Senator Jason Rarick
95 University Avenue W.
Minnesota Senate Building, Room 3413
St. Paul, MN 55155

Re: Support for SF 4562 – ECO program modifications

Dear Senator Rarick,

I am writing on behalf of the Citizens Utility Board of Minnesota (CUB) to express support for SF 4562, which makes modifications to the Energy Conservation and Optimization (ECO) Act.

CUB is a 501(c)(3) nonprofit advocate for Minnesota's residential utility consumers. We advocate for affordable and clean home energy for all Minnesotans. Our outreach staff consults with hundreds of Minnesotans each year about their utility bills and their options to make their energy use more efficient and affordable. Many are seeking to either reduce the cost of their utility service or to reduce their environmental impacts (or both), and we frequently refer people to their utilities' ECO programs as a way to meet these goals.

CUB strongly supports the ECO Act, and we appreciate the work of the Center for Energy and Environment, the utilities, and others to streamline the legislation and expand opportunities for efficient fuel switching. Efficient fuel switching – particularly, beneficial electrification – is essential to meeting the state's greenhouse gas emission reduction goals, and the rebates that utilities provide through ECO are important in helping reduce the upfront cost of switching to electricity. At the same time, CUB is conscious of rising energy costs, and we want to be sure that ratepayer funds are well spent. This bill allows, for the first time, investor-owned electric utilities to earn a financial incentive for electrification measures, on top of the inherent incentive that electric utilities have to support measures that increase electricity demand and sales revenue. We appreciate the willingness of advocates to find a compromise that puts a sunset and reasonable parameters on this incentive. This, included in the author's amendment, will help ensure that utilities are not excessively rewarded, at ratepayers' expense, to promote efficient fuel switching. With this change, CUB supports the bill.

Thank you very much for your work on this important topic.

Sincerely,

Annie Levenson-Falk
Executive Director

cc: Chair Frentz; Ranking Minority Member Mathews; and Members, Energy, Utilities, Environment, and Climate Committee
Justin Emmerich, Committee Administrator
Joe Birkholz, Office of Governor Tim Walz