

Senator Nick Frentz  
Energy, Utilities, Environment, and Climate Committee  
95 University Avenue W.,  
Minnesota Senate Building  
St. Paul, MN 55155

Dear Chair Frentz and Members of the Energy, Utilities, Environment and Climate Committee,

The undersigned utilities and advocates endorse SF 4562, which will provide critical updates to the Energy Conservation and Optimization Act (ECO) and recommend its passage in the 2024 Minnesota Legislative Session.

The Energy Conservation and Optimization Act of 2021 was a historic, bipartisan **energy policy that modernized Minnesota's utility energy efficiency policies**. Designed by a broad bipartisan range of lawmakers, utilities and advocates, ECO offers significant energy efficiency advantages for the state, energy providers, and most importantly, everyday energy users:

- Households benefit by gaining more access to energy efficient technologies which save money on their electricity bills;
- Utilities benefit from more opportunities to encourage optimization of energy usage and delivery through offering efficient fuel switching programs; and
- Minnesota benefits from more local efficiency and clean energy jobs that cannot be outsourced, lower utility system costs, reduced greenhouse gas emissions and greater energy independence with less reliance on fuel imports.

We support legislative efforts this year to **further streamline ECO's implementation**, strengthen its impact, and build upon the policy's core principles. The legislative proposal we support improves upon ECO in the following ways:

- Streamlines the regulatory and administrative process;
- Clarifies that utilities can continue to market their efficient fuel switching programs;
- Revisions to clarify provisions which are confusing to implement in practice;
- Lifts efficient fuel switching caps to provide certainty that utility rebates are available for participants in the Inflation Reduction Act
- Expands opportunities for consumer-owned utilities to spend on efficient fuel switching

These provisions will streamline and improve the implementation of ECO and strengthen the overall impact of this historic legislation. We ask for your support for SF 4562 as we seek passage of this important bill this session.

Please do not hesitate to reach out to any of the following utilities or organizations if you have any questions or wish to discuss further.

Sincerely,

