



THE MENDOTA GROUP, LLC
— the power of bright ideas —

Energy Conservation and Optimization Act Implementation Process

Electric Vehicle Sales Guidelines
Working Group

November 16, 2021

Agenda

- 10:00 a.m. Welcome and Introductions
- 10:10 a.m. EV Sales Guidelines Context and Resources
- 10:25 a.m. EV Sales Guidelines – Questions to Answer (Discussion)
- 11:00 a.m. Break
- 11:10 a.m. Guidelines Development
- 11:40 a.m. Next Steps
- 12:00 p.m. Adjourn

Meeting Information

- All participants can speak, use video, and chat.
- Questions and observations can be placed in the chat.
 - Chat works fine; if you'd like to share thoughts verbally, please raise your hand and then you can unmute and speak.
- We are taking notes and will share the notes with participants after the meeting.
- We will be recording this meeting but only to check our notes.
- We encourage participants to: actively participate, be positive and constructive, and open to different perspectives.

Introductions

Organizations Registered		
Cadmus	Great River Energy	Southern Minnesota Municipal Power Agency (SMMPA)
CEE	MN Muni Utilities Assoc. (MMUA)	Somali Community Resettlement
CenterPoint Energy	Minnesota Power	Stearns Electric Assoc.
CERTs	Missouri River Energy Services	The Forward Curve LLC
Connexus Energy	MN Dept. of Commerce	The Mendota Group, LLC
Dakota Electric	Minnesota Rural Electric Association	Wright-Hennepin Coop
Elk River Municipal Utilities	Otter Tail Power	Xcel Energy
Franklin Energy	Runestone Electric Assoc.	
Great Plains Institute	Slipstream	

EV Sales Guidelines Context

High-Level Description

- The Electric Vehicles provision of the ECO Act is fairly narrowed focused on reducing the energy sales utilities use to calculate their Conservation Improvement Program (CIP) energy savings goals.
- IOU energy savings goals are 1.75% of Gross Annual Retail Energy Sales (GARES); goals for Consumer-Owned Utilities are 1.5% of GARES.
 - Sales calculations are based on three-year weather-normalized historical average (ending in year prior to CIP program filing).
- The ECO Act allows utilities to reduce the GARES used for the calculations by subtracting sales to charge electric vehicles in their service territories for a 10-year period (2022 – 2032).

EV Sales Guidelines Context

Statutory Language

Minn. Stat. 216B.2402, Subd. 10: *"Gross annual retail energy sales" means a utility's annual electric sales to all Minnesota retail customers, or natural gas throughput to all retail customers, including natural gas transportation customers, on a utility's distribution system in Minnesota. Gross annual retail energy sales does not include:*

... (3) the amount of electric sales prior to December 31, 2032, that are associated with a utility's program, rate, or tariff for electric vehicle charging based on a methodology and assumptions developed by the department in consultation with interested stakeholders no later than December 31, 2021. After December 31, 2032, incremental sales to electric vehicles must be included in calculating a utility's gross annual retail sales.

EV Sales Guidelines

Resources

- The Working Group aims to develop materials that can be sent to the Department of Commerce for consideration in crafting proposed guidelines that can be reviewed by the public and adopted by DOC Deputy Commissioner Decision.
- For those interested in learning more about the process can review information from a similar DOC proceeding, related to utilities including Electric Utility Infrastructure (EUI) projects in their CIPs.
 - This info is in the Resources folder on the ECO Act Coordinating Committee SharePoint.
- Working Group members are encouraged to upload to the site other information that can help inform the Working Group's efforts.

EV Sales Guidelines Working Group Timeline

Reminder

- The EV Sales Guidance Working Group has a very tight timeline – for the Deputy Commissioner to issue a Decision by **12/31/21**, this group will need to submit draft advisory language to Department by early December.
- Today is likely the only meeting of the EVSG Working Group.
- Target providing language to Staff by **Monday, 12/6**.
- Staff issue draft guidance around **Monday, 12/20** followed by a shortened comment period

EV Sales Guidelines – Questions to Answer

Questions to Consider

Mendota Group-Developed Draft Responses

- What year begins the process of calculating sales to Electric Vehicles?
 - 2022
- What is the first CIP program year to which this will be applied?
 - *When COUs file in 2022, will use three-year weather-normalized (WN) retail energy sales from 2019-2021 to calculate goal energy savings. EV Sales will not be subtracted from these calculations.*
 - *When IOUs file in 2023, will use three-year WN retail energy sales from 2020-2022 to calculate goal energy savings. Sales for 2022 would subtract sales for EV charging.*

Questions to Consider

Mendota Group-Developed Draft Responses

- How are Gross Annual Retail Energy Sales for year 2033 calculated – do they also subtract sales to EVs from 2022-2032?
 - *Yes. 2032 Gross Energy Retail Energy Sales in 2033 subtract and hold constant sales for EV charging from 2032.*
- What is included in “the amount of electric sales ... that are associated with a utility's program, rate, or tariff for electric vehicle charging”? Is this calculation exclusively limited to charging from EV-specific programs, rates, or tariffs or is it broader?
 - *Is it broader and is contemplated to include, for example, charging that may occur at a household that is not associated with an EV-specific program or rate?*

Questions to Consider

Mendota Group-Developed Draft Responses

- If sales for EV charging is supposed to include sales not related to EV-specific programs, rates or tariffs, how will these sales be estimated?
 - *We are interested in learning from WG members how this could be estimated for consistent treatment across utilities.*
- How is all of this going to work in terms of CIP filings and calculations of savings goal targets for the next decade?
 - *Will be helpful to chart out scenarios based on future triennials (or other filing cadence that utilities choose)*

10-Minute Break

Back at: **11:25** CST

Guidelines Development

Using SharePoint Site to Exchange Information

- Issues Log includes an **EV Sales WG** folder – we have populated this Log with questions raised throughout the process to date. We are not including answers at this point as we are interested in gathering information from stakeholders.
 - WG members should add questions as they see fit.
- The **EV Sales Guidance WG** folder is where groups can upload memos for review by other stakeholders.
- Please email Grey and Anthony when you have uploaded information that either you would like to share with the group or is provided for input to drafting.



Next Steps

Questions

- What year begins the process of calculating sales for EV charging?
- What is the first CIP program year to which this will be applied?
- How are Gross Annual Retail Energy Sales for year 2033 calculated – do they also subtract sales to EVs from 2022-2032?
- What is included in “the amount of electric sales ... that are associated with a utility's program, rate, or tariff for electric vehicle charging”?
- If sales for EV charging is supposed to include sales not related to EV-specific programs, rates or tariffs, how will these sales be estimated?
- How is all of this going to work in terms of CIP filings and calculations of savings goal targets for the next decade?

Need Proposed Approaches to Questions from Group Members

- **November 22, 2021 COB** - Request that WG post to SP responses to questions from this presentation (and any others) in the form of memos, to include explanations for positions.
- **November 24** - Mendota Group will synthesize this information share with the group for input/feedback.
- **December 1** - Ask that WG members provide additional feedback.
- **December 3** – Draft materials that will be provided to DOC (shared with CC and WG).
- **December 6, 2021** – MG sends materials to the DOC and notifies CC and WG.

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
31	NOVEMBER 1	2	3	4	5	6
		ECO Act Stakeholder Kick-Off				
7	8	9	10	11	12	13
			ECO Act Coordinating Committee – Meeting 1			
14	15	16	17	18	19	20
		EV Sales Guidelines Working Group Mtg. 1				
21	22	23	24	25	26	27
	WG Members post positions to SP (COB)		DOC/MG distribute combined info			
28	29	30	DECEMBER 1	2	3	4
			WG Members provide additional feedback		Circulate revised draft info to WG and CC	
5	6	7	8	9	10	11
	Info provided to DOC for review					
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	JANUARY 1
					Deadline for Deputy Commissioner EV Sales Guidelines	

The End (of this presentation)

- Thank you for your participation and contributions to this effort.
- Contacts:
 - Anthony Fryer: anthony.fryer@state.mn.us
 - Grey Staples: gstaples@mendotagroup.com