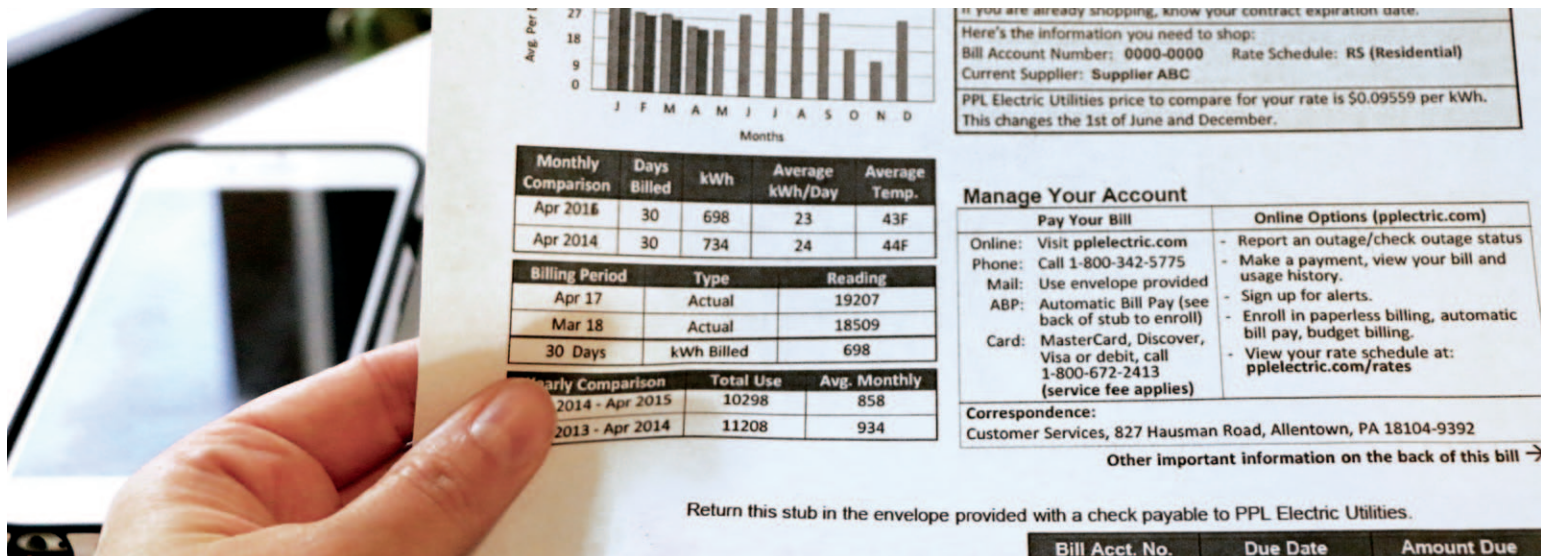


ENERGY MATTERS

FIGURING OUT YOUR FEES

BY WILL NISSEN & ALLEN GLECKNER

WHEN YOUR UTILITY BILL ARRIVES AT YOUR HOUSE OR EMAIL INBOX, YOU MIGHT NOT LOOK TOO CLOSELY AT EACH OF THE CHARGES THAT YOU'RE BEING ASKED TO PAY. BUT FRESH ENERGY WORKS ON THOSE DETAILS EVERY DAY.



THE FEES

The most common fee built into utility bills is a monthly fixed fee, or customer charge, that stays the same no matter how much energy you use that month. As energy efficiency increases, some utilities have been proposing larger fixed fees to increase their guaranteed revenue each month. As more people choose to invest in increasingly-affordable solar or wind projects on their property, some utilities have also started to charge these consumers a monthly fee – some as high as \$83 per month.

THE IMPACT

Fresh Energy recognizes that we all benefit when utilities are healthy and strong. But the fees that have been proposed have negative consequences.

For example, if more of your bill is fixed no matter how much energy you use, you have less motivation to cut energy waste because it won't save you as much money. If investing your own money in solar or wind means you'll pay a large fee every month, it might discourage you – and limit distributed clean energy that benefits everyone. Large fees also hold back market solutions including

the development of energy efficiency and clean energy businesses that could turn consumer investments into jobs in our communities.

WIN-WIN SOLUTIONS

Fresh Energy works with consumers, utilities, and others to create win-win solutions that improve the energy system for everyone. We shape and drive policies demonstrating that instead of increasing a customer's fixed fee, utilities can "decouple" their energy sales from their profits. If utilities have a decoupling policy in place, they can collect a set amount of revenue. When they collect more than that, it's returned to the customers the following year. Utilities have more certainty about what their revenue will be and customers are free to conserve energy and save money – a positive solution for everyone.

On solar fee issues, Fresh Energy has used a detailed economic analysis to develop tools such as the Value of Solar, which documents the benefits of solar to the electric grid. Once you know the value of that system, customers can be fairly compensated based on the real costs and benefits involved.



From left to right: Michael Noble, Nicholas Garbis, Raj Rajan, PhD, PE, Ramez Naam

The morning of October 5 was cold and rainy, but that didn't stop more than 400 Fresh Energy supporters from showing up at the McNamara Center for our First Annual Benefit Breakfast. We were blown away by the enthusiastic support of our first-time fundraiser and have raised \$150,000 to support our programs.

Featured speaker Ramez Naam gave a compelling presentation that left people feeling inspired about the future of our energy system. Power Circle donor Kate Hanson (see donor profile) wrapped up the program with a moving story about why Fresh Energy is important to her.



We also premiered a short video showing the impacts that energy policy can have on a town and on a family's lifestyle.

Many thanks to Fresh Energy board members and event co-chairs Nicholas Garbis and Raj Rajan for their leadership with this event. We are also very grateful for all of our sponsors and table captains who helped to make this breakfast a grand success!

Michael Noble

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LEARN MORE ABOUT THESE AND OTHER STORIES AT FRESH-ENERGY.ORG

XCEL ENERGY SHOWS LEADERSHIP

This fall, after nearly two years, Xcel Energy's plan to close Sherco units 1 and 2 was officially approved as part of its integrated resource plan by the Public Utilities Commission. Thanks to extensive analysis and engagement by Fresh Energy and our partners, Xcel will now be investing much more heavily in cost-effective energy efficiency and renewables like wind and solar, as well as demand response programs that shave peak demand and lower costs across Xcel's system.

CHARGED UP ABOUT ELECTRIC VEHICLES

The price of electric vehicles continues to drop while the distance they can travel continues to expand. In order to prepare the market for a rapid increase in electric vehicle saturation, Fresh Energy partnered with utilities to create mncharging.org, an easy to use tool to help car dealers connect their customers directly to their local utility's charging options. As part of the mncharging.org roll out, Fresh Energy will be reaching out to car dealers across the state.



BRINGING EFFICIENCY TO LARGE INDUSTRIAL CUSTOMERS

Large industrial customers in Minnesota have significant energy needs around the clock. In the past, that significant demand has led to the construction of new coal and gas plants. Now, thanks to a proposed tweak to Minnesota Power's service agreement with two mines, large industrial customers have increased flexibility to use more efficient combined heat and power (CHP) systems on site. Fresh Energy continues to work in regulatory settings to bring more efficient CHP to large customers throughout the state.



CONGRATS 2016 MIDWEST ENERGY NEWS 40 UNDER 40 HONOREES

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NEW BUILDINGS, NEW OPPORTUNITIES FOR ENERGY SAVINGS



City of Blaine senior buildings inspector Tim Manz talks with Fresh Energy's Ben Rabe.

Homes and commercial buildings are going up across Minnesota. Large development projects are creating jobs across the state, and demand for new homes is back to prerecession levels, according to the Builders Association of the Twin Cities. Thanks to Minnesota's building energy code, secured with active involvement from Fresh Energy, structures built today will be 20 to 30 percent more efficient than their predecessors.

The increased "air tightness" requirements in the code were designed to ensure that homes are less drafty with less energy waste. It's a win-win situation when homes are comfortable, with excellent air quality and lower utility bills.

Fresh Energy recognizes that passing a code is a first step. We are committed to ensuring that builders and local officials have the tools they need to create healthy, resilient, cost-efficient buildings – and that the people can trust that their new home meets all requirements. That's why we help coordinate the Minnesota Energy Code Compliance Collaborative, where everyone involved can share information and work together for the best results across the state.

The city of Blaine, for example, works hard to ensure that the energy code receives adequate attention among other compliance issues. "We have provided other cities and the Minnesota Home Builders Association with reference sheets we've created to help educate builders on how to meet the energy code," said the city's senior buildings inspector Tim Manz.

In Blaine, and across state, policy change is helping us all do better – stimulating local jobs in efficiency and construction, and moving us toward a healthier future for all Minnesotans.

Stay tuned for updates on this important issue.

Join the Hanson Family in making a Power Circle donation by visiting our website or contacting individual giving director Meggie LaValley at: Lavalley@Fresh-Energy.org.



POWERING OUR FUTURE WITH CLEAN ELECTRICITY

Mark and Kate Hanson have been passionate Fresh Energy supporters and Power Circle donors since 2007. A few years ago, they set out on an adventure to build a net zero house.

Their home is so energy efficient that their rooftop solar produces enough power to meet all of their energy needs and charge two electric vehicles.

"A Native American proverb we love states, 'We do not inherit the earth from our ancestors, we borrow it from our children.' We support Fresh Energy because they pass policies that ensure children born today and in the future have better opportunities than we had, including cleaner air and water and the freedom to not worry about pollution. As a result of Fresh Energy's leadership in supporting strong building code policies, our net zero house has greatly improved our standard of living and comfort, while costing the same as our previous house." – Mark and Kate Hanson

Fresh Energy is working on policy solutions that will advance clean energy and help more buildings in our communities become like the Hanson house. Thank you, Mark and Kate, for being generous Power Circle donors, and for paving the way to an all-electric future!






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HOW MINNESOTA CAN USE HIGH PERFORMANCE BUILDINGS TO CREATE HEALTHY AND GREAT COMMUNITIES



YOU'RE INVITED!

Join Fresh Energy for a conversation with two leading experts to talk about communities of the future, new and improved buildings, and the opportunities that are within reach right now.

FRIDAY, JANUARY 27, 2017

7:00 - 8:30 AM

TOWN AND COUNTRY CLUB
300 N. MISSISSIPPI RIVER BLVD.
ST. PAUL, MN 55104

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SUSAN HAIGH is president and CEO of Twin Cities Habitat for Humanity and former Chair of the Twin Cities Metropolitan Council.



JACOB CORVIDAE is a manager in buildings practice at the Rocky Mountain Institute, focusing on transforming the residential energy upgrade market.