### 2017 e21 Forum Series

Toward a 21<sup>st</sup> C. Electric System in Minnesota

Friday, July 14<sup>th</sup>, 2017 The Saint Paul Hotel







# Today's Agenda

1:30 – 1:45 pm Welcome, Meeting Overview, Update on e21 Phase 3

1:45 – 3:15 pm Panel Discussion: Consumer-Centric Rate Design

**3:15 – 3:30pm** Break

**3:30 – 4:30 pm** Project Launch: The Implications of Performance Based-Approaches to Utility Compensation

**4:30 – 6:00 pm** Networking Reception made possible by the McKnight Foundation





# The Electric Sector is Changing

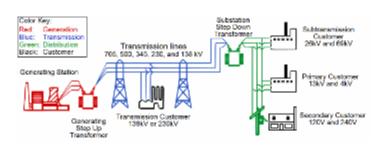


### **Analog & Manual**





### **Digital & Automated**





Centralized. One-way flow



Cleaner. More Distributed. Two-way flow



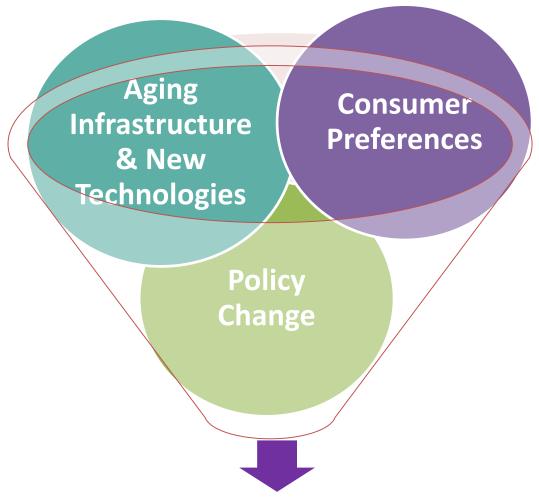


Little consumer choice



More consumer choice

# What's driving these changes?



The need to modernize the electric system

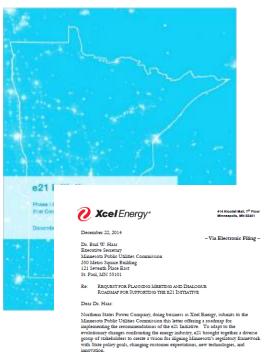


## e21 Phase I: Resulted in a Consensus on. . .

Evolving the utility business model & regulations to:

1) Provide more consumer choices.

2) Better align utility financial incentives with outcomes consumers care about.



with State policy goals, changing entrones expectations, new technologies, and innovation.

We support this vision and would like to help make it a smilt; Minnerot has long been a loaded in energy policy, implementing the ell necommendations would do much to this the time to the next level of accomplishment – benefiting entroness, shakeholders, the strike vectoring, and the entriumnent in the process:

To that end, we see exciting opportunities for Xcel Energy to enact vario

Leaf the offert in achieve carbon reduction by 40 person. Confinenting environmental
challenges in the most seconomical way is one of the most significant challenge
futing our indexture. The our processing Resource Plan, we promise a publicant
could cost-effectively schallenge 40 persons to general reduction in carbon
emissions by 2000. Importantly, this path preserves and enhances the besedits
of a diverse supply profition, this offering significant pare and inhunges from
that will besent and protect extraories chauge this person of a right industry.





### **e21 Phase 2:**

### From "Blueprint" to "Building the House"

# Developed next level of detail necessary to implement Phase I recommendations, including White Papers on:

- 1. Integrated System Planning
- 2. Performance-Based Utility Compensation
- 3. Grid Modernization

http://www.betterenergy.org/e21-Phasell







### e21 Phase 3: From Ideas to Action

#### **Phase 3 Has Two Main Elements:**

### **e21 Forums** (2-3 per year):

- Provide on-going platform for interested parties to learn about issues relevant to MN's changing electric sector and proposed pilots projects.
- Hear from utilities and other entities about their pilots and projects.
- Flag issues that require deeper investigation.

### **Specific Pilots/Projects:**

 GPI/CEE will coordinate and facilitate stakeholder engagement that assists pilot/project leaders in shaping and refining their projects.

Goal: To reduce transaction costs & improve outcomes for all.





### e21 Phase 3: Current Pilots

# **GPI/CEE** are assisting with stakeholder engagement for two projects to date:

- Xcel Energy's Time of Use rate design pilot
- Seventhwave/LBNL's project to model implications of performance-based utility compensation options.



# Other potential projects under discussion.



# **Questions?**





