

## CHAPTER 7690

### DEPARTMENT OF PUBLIC SERVICE

### CONSERVATION AND RESOURCE PROGRAMS

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#### 7690.0100 DEFINITIONS.

Subpart 1. **Scope.** The terms used in this chapter have the meanings given them in this part.

Subp. 2. **Department.** "Department" means the Department of Public Service.

Subp. 3. **Low income.** "Low income" has the meaning given it in Minnesota Statutes, section 216B.241, subdivision 2.

**Statutory Authority:** *MS s 216B.241*

**History:** *14 SR 2193*

#### 7690.0200 PURPOSE.

The purpose of this chapter is to specify procedures to be followed by public utilities in submitting, and by the department in analyzing and selecting, proposals for conservation improvement programs and renewable resource pilot programs and to provide for the participation of other interested persons in developing conservation improvement and renewable resource pilot programs.

**Statutory Authority:** *MS s 216B.08; 216B.241*

**History:** *10 SR 1266; 14 SR 2193*

#### 7690.0300 SCOPE.

This chapter applies to proposals by public utilities and other interested persons for utility investments in conservation improvement and renewable resource pilot programs.

**Statutory Authority:** *MS s 216B.08; 216B.241*

**History:** *10 SR 1266; 14 SR 2193*

#### 7690.0400 PROJECTS IN EFFECT.

Projects approved by the Public Utilities Commission that are in effect on March 19, 1990, continue in effect until their expiration date unless the expiration date is changed by the department.

**Statutory Authority:** *MS s 216B.08; 216B.241*

**History:** *10 SR 1266; 14 SR 2193*

#### 7690.0500 CONSERVATION IMPROVEMENT PROGRAM FILING.

Subpart 1. **Time limits.** No later than May 1 of each even-numbered year beginning in 1990, a public natural gas utility required by Minnesota Statutes, section 216B.241, to invest in a conservation improvement program shall file with the department a conservation improvement program. No later than September 1, 1990, and every odd-numbered year afterward, a public electric utility required by Minnesota Statutes, section 216B.241, to invest in a conservation improvement program shall file with the department a conservation improvement program.

Subp. 2. **Contents.** The filing must include:

A. a comprehensive description of the proposed program, including a description of each project making up the program;

B. a statement quantifying each project's objectives including an estimate of the expected cost effectiveness of the project to the utility, to the project's participants, and to the utility's customers;

C. for each project targeted at residential consumers, a statement of the anticipated percentage of use of each project among low-income families and individuals, and renters;

D. a detailed budget for each project for the next two years, and:

(1) a projected four-year budget for the overall program; or

(2) if a shorter time period is more appropriate for the four-year budget, the reasons for that shorter time period and the projected budget for that shorter period;

E. a detailed description of the proposed ratemaking treatment and the proposed cost-recovery method;

F. a description of the marketing plans for each proposed project, including target participation rates;

G. a description of the expected effect of each project on peak and average consumption with supporting assumptions, including a computation of the costs that will be avoided or reduced by the implementation of the proposed project and an estimate of the expected revenue effects;

H. an explanation with supporting budget information of how the proposed plan ensures that at least half the money spent on residential projects is devoted to projects that directly address the needs of renters and low-income customers, or a statement with supporting documentation that an insufficient number of these projects are available;

I. an explanation of how the proposed projects provide for the involvement of community energy organizations when appropriate;

J. an outline of the proposed plan for evaluating the effectiveness of the proposed project;

K. a status report on each project from the currently approved program that must:

(1) state the total number of customers served;

(2) state the number of low-income customers and the number of renters served, if applicable;

(3) state the total amount spent on the project to date;

(4) state the average amount spent on each customer participating in the project, if applicable;

(5) provide other information required by the department in the document approving the program;

(6) for public natural gas utilities, be filed no later than May 1 of each odd-numbered year; and

(7) for public electric utilities, be filed no later than September 1 of each even-numbered year; and

L. additional information that the department determines is necessary as a result of its review or evaluation of previous projects of the particular utility.

**Subp. 3. Completeness review.** Upon receipt of a utility's plan, the department shall conduct a completeness review based on the filing requirements listed in subpart 2. The department's findings after this review must set forth the information necessary to make the plan complete and the date by which the information must be filed. When the department determines that the necessary information has been filed to make the plan complete, it shall serve a written notice of completion on the utility and persons on the utility's service list established under part 7690.0800, subpart 1.

**Statutory Authority:** *MS s 216B.08; 216B.241*

**History:** *10 SR 1266; 14 SR 2193*

## **7690.0600 RENEWABLE RESOURCE PILOT PROGRAM FILING.**

A public utility required by Minnesota Statutes, section 216B.241, to have a conservation improvement program shall file a proposal for a utility renewable resource pilot program upon the determination of the department that additional utility renewable resource pi-

lot programs are needed to expand Minnesota's options for energy from renewable resources. For at least one year after authorizing a utility's renewable resource pilot program, the department shall not require a new proposal for a renewable resource pilot program from that utility. The filing must include:

A. a comprehensive description of the proposed program, including a description of each project making up the program;

B. an estimate of the net energy to be produced by each project and the projected reliability of the technology which would be used;

C. a detailed budget for each year of the project;

D. an estimate of the potential cost effectiveness of each project;

E. a description of the proposed ratemaking treatment and the proposed cost-recovery method; and

F. an outline of the proposed plan for evaluating the effectiveness of the proposed project.

**Statutory Authority:** *MS s 216B.08; 216B.241*

**History:** *10 SR 1266; 14 SR 2193*

#### **7690.0700 EXISTING PROGRAMS; FILING.**

The filing requirements for renewing existing conservation improvement program or utility renewable resource pilot program projects are the same as for newly proposed projects. However, if the department has material already on file, the utility or interested person submitting an alternative project may incorporate it by reference in its current filing.

**Statutory Authority:** *MS s 216B.08; 216B.241*

**History:** *10 SR 1266; 14 SR 2193*

#### **7690.0800 SERVICE LISTS AND NOTICE.**

Subpart 1. **Service lists.** The department shall establish service lists for specific utilities for use in providing public notice of conservation improvement programs and utility renewable resource pilot programs. The list must include the Public Utilities Commission, the Residential and Small Business Utilities Division of the Office of the Attorney General, persons involved in the public utility's previous conservation improvement program, persons who participated in the public utility's last general rate case with respect to conservation programs, and other persons the department believes are interested in the public utility's next conservation improvement program. The department shall update the service list at least 30 days before the date a public utility is required to file a program.

Subp. 2. **Notice of filing.** At the time it files its conservation improvement or utility renewable resource pilot program with the department, the public utility must provide written notice of its filing to persons on the utility's service list established under subpart 1. The notice must state that a copy of the utility's proposed program is available for public inspection at the enumerated business office locations of the utility and at the department's office. The notice must also state that the utility will make a copy of the proposed program available to interested persons upon request.

**Statutory Authority:** *MS s 216B.08; 216B.241*

**History:** *10 SR 1266; 14 SR 2193*

#### **7690.0900 COMMENT; ALTERNATIVE PROPOSALS.**

The department shall allow 45 days for written comments on the public utility's program and the submission of alternative projects by interested persons, including political subdivisions and nonprofit and community organizations. The time period allowed for written comments and alternative project filings begins on the date that the department's finding of completeness under part 7690.0500, subpart 2, is mailed. Proposals for alternative projects must follow the requirements of part 7690.0500 or 7690.0600, except for part 7690.0500, items E, G, H, and K. The department shall allow 30 days from the filing of the comments and alternative projects for written responses. These comments, alternative projects, and responses must be filed with the Public Utilities Commission, the department, and

the utility to which they are addressed. The persons submitting the comments, alternative projects, or responses must provide them to any person, upon request.

**Statutory Authority:** *MS s 216B.08; 216B.241*

**History:** *10 SR 1266; L 1987 c 312 art 1; 14 SR 2193*

#### **7690.1000 PROPOSED DECISION.**

Subpart 1. **Prepared by staff.** After reviewing the comments submitted under part 7690.0900, the department staff shall prepare a proposed decision approving, disapproving, or modifying a program, project, evaluation plan, or alternative project proposal.

Subp. 2. **Copies sent.** The department staff shall serve a copy of its proposed decision on the utility, on any person who submitted a comment under part 7690.0900, and on all other persons the department believes are interested in the public utility's conservation improvement program.

Subp. 3. **Comment period.** The department shall allow ten days from the date of service of the proposed decision for written comments on the proposed decision.

**Statutory Authority:** *MS s 216B.241*

**History:** *14 SR 2193*

#### **7690.1100 RESPONSES; WRITTEN RECORD.**

The department may require written responses to comments, oral argument, negotiations, settlement conferences, formal hearing, or other procedures it considers necessary or helpful to enable it to review, analyze, and select appropriate programs under Minnesota Statutes, section 216B.241. Written papers or summaries of oral meetings for each proceeding filed with the department must also be served upon participants and become part of the record upon which the department will decide the case.

**Statutory Authority:** *MS s 216B.08; 216B.241*

**History:** *10 SR 1266; 14 SR 2193*

#### **7690.1200 APPROVAL, DISAPPROVAL, OR MODIFICATION.**

Subpart 1. **Determination of significant investment.** The department shall determine whether a proposed program or modified program will result in significant investments in and expenditures for energy conservation improvements. In making this determination, the department shall consider the following information, which must be included in a public utility's filing:

A. impact of the program or modified program on:

(1) short-term peak, including peak hours and peak day;

(2) long-term peak; and

(3) average energy consumption, including annual average energy consumption;

B. total cost to the utility of a program or modified program, resulting in energy savings, compared to the cost to the utility to produce or purchase an equivalent amount of new supply of energy;

C. short-term and long-term impact of the program or modified program on utility rates;

D. total number of low-income and rental customers expected to be affected by the program or modified program;

E. total dollars spent on energy conservation improvements annually, expressed as a percentage of gross revenues;

F. total number of customers expected to participate in the program or modified program, expressed as a percentage of the total number of customers in a utility's service area;

G. diversity of customer classes expected to participate in the program or modified program;

H. benefits of the program or modified program to participants; and

I. other facts and circumstances concerning a particular utility that are relevant to determining the overall importance of the investment in energy conservation improvements.

Subp. 2. **Approval.** On determining that the proposed program or modified program will result in significant investments in and expenditures for energy conservation improvements, the department shall approve the proposed or modified program.

Subp. 3. **Disapproval and modification.** On determining that the proposed program or modified program will not result in significant investments in and expenditures for energy conservation improvements, the department shall disapprove the proposed program or modified program and require a program that will result in significant investments in and expenditures for energy conservation improvements.

**Statutory Authority:** *MS s 216B.08; 216B.241*

**History:** *13 SR 2282; 14 SR 2193*

#### **7690.1300 DECISION.**

When the department approves, disapproves, or modifies a program, project, or evaluation plan, it shall set forth its reasons in a written decision within 30 days from the date comments are due on the department's proposed decision specified under part 7690.1000. If the department's decision will not be issued within this 30-day period, the department shall notify the parties on the service list specified in part 7690.0800 of the date by which a decision will be issued.

**Statutory Authority:** *MS s 216B.08; 216B.241*

**History:** *10 SR 1266; 14 SR 2193*

#### **7690.1400 PROPOSED PROGRAM CHANGES.**

Upon its own motion or upon the motion of a utility or other person, the department may add a new project or modify, expand, or terminate an existing conservation improvement program or utility renewable resource pilot program before the program's expiration date. The moving party must give notice of the motion to the participants in the affected utility's conservation improvement program case or utility renewable resource pilot program case of the motion. Interested persons must be allowed 15 days to submit comments on the proposed program changes. A change may be required to make a project more effective, to reach more participants, to reduce unnecessary or ineffective expenditures, to expand, change, or reduce the geographic area or target group that the project covers, or to change the time period during which the project would be in effect.

**Statutory Authority:** *MS s 216B.08; 216B.241*

**History:** *10 SR 1266; 14 SR 2193*

#### **7690.1450 TIME EXTENSIONS.**

The commissioner of the department shall grant extensions of filing dates and other time periods in this chapter if the commissioner finds that the person requesting the extension has shown good cause for the extension.

**Statutory Authority:** *MS s 216B.241*

**History:** *14 SR 2193*

#### **7690.1500 PETITION TO COMMISSION.**

Petitions to the Public Utilities Commission to modify or revoke a department decision to require a program are governed by Minnesota Statutes, section 216B.241, subdivision 2.

**Statutory Authority:** *MS s 216B.241*

**History:** *14 SR 2193*