

State of Minnesota

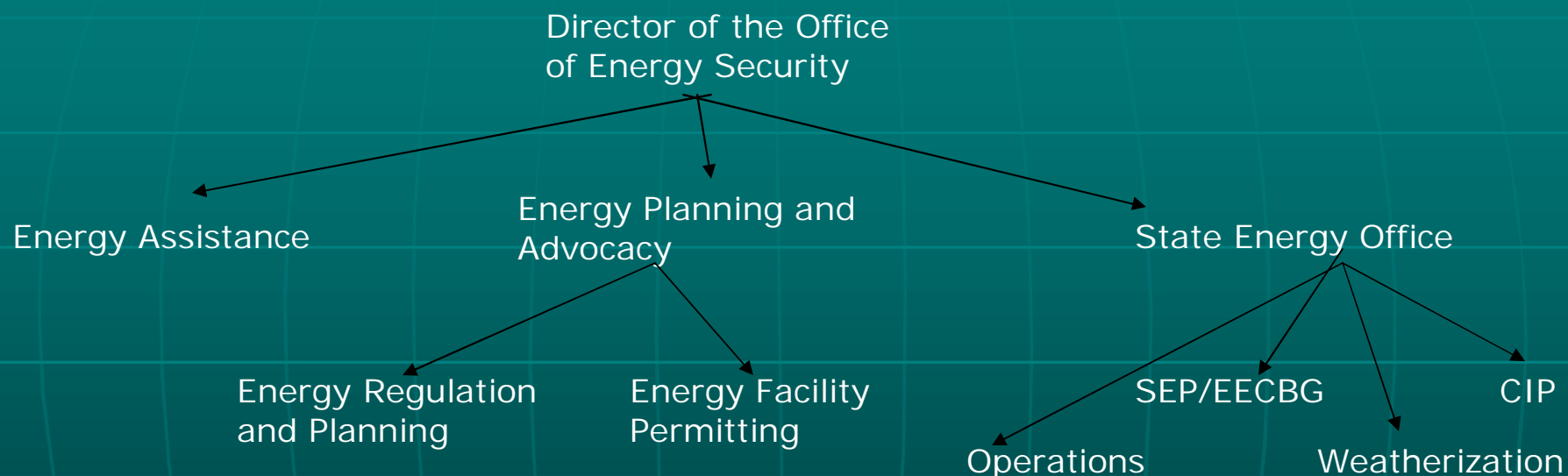
**Coordination of the State Energy and
Environmental Agencies
on Public Utility Issues**

May 20, 2010

Involvement is the Key

- The Commitment **MUST** be made.
- Every Level of the Structure **MUST** participate.
- Joint efforts **IMPROVE** the End Product.

Office of Energy Security Organization Structure



Joint MPCA and OES Legislative Reports

- *Annual Legislative Proposal Report on Greenhouse Gas Emission Reductions*
 - Pursuant to Minnesota Statutes § 216H.07, subd. 4
- *Minnesota Conservation Improvement Program Energy and Carbon Dioxide Savings Report*
 - Pursuant to Minnesota Statutes §216B.241, subd. 1c(g).SOx and NOx Reduction Program
- *Biennial Greenhouse Gas Emissions Reduction Progress Report*
 - pursuant to Minnesota Statutes § 216H.07, subd. 3
- *Green Solutions Act Report*
 - Pursuant to Minnesota Session Laws 2008 Chapter 340 – Green Solutions Act of 2008

Environment and Energy Planning & Advocacy

- Route Permitting/Certificates of Need
- Emission Costs Recovery
 - SO_x and NO_x Reduction Program
 - Mercury Emission Reduction Program
- Carbon Regulation
 - Establish Carbon Cost Range
- Integrated Resource Planning
 - Uses approved carbon cost range

Inter-Agency Coordination

- Executive Level –
 - Bi-weekly meetings of ten state agencies on policy & program issues
- Management Level –
 - Management position physically co-located at both agencies
- Staff Level –
 - Joint Staff Meetings
 - Coordination on outreach, grants, events, training, reports & projects

Collaboration - Environment and the State Energy Office

- Municipal – CERTS (Clean Energy Resource Teams; GreenStep Cities; GreenCorps– statewide programs;
- Schools - Minnesota Schools Cutting Carbon- reducing GHG and saving energy
Grid Neutral Schools (CEESP project)
- Conservation Improvement Program
 - Establish Carbon estimates of energy efficiency

Pollution Control Agency Responsibilities

- Emissions-Reduction Rider (2001)
- Mercury Emissions-Reduction Plans (2006)
- Multiple Pollutant Environmental Improvement Plans (2006)
- Greenhouse Gas Emissions Control (2007)
- Greenhouse Gas Emissions-Reductions and Policy Development (2007)



Pollution Control Agency Assistance

- Renewable Energy Credits (2007)
- Cost of Carbon for Resource Planning (2007)
- Conservation Improvement Plans (2007)



MERP Supporters

- Chamber of Commerce
- Izaak Walton League
- Minnesotans for an Energy Efficient Economy
- Suburban Rate Authority
- Sierra Club
- North Star Steel
- State Agencies:
Department of Commerce,
Attorney General,
MPCA

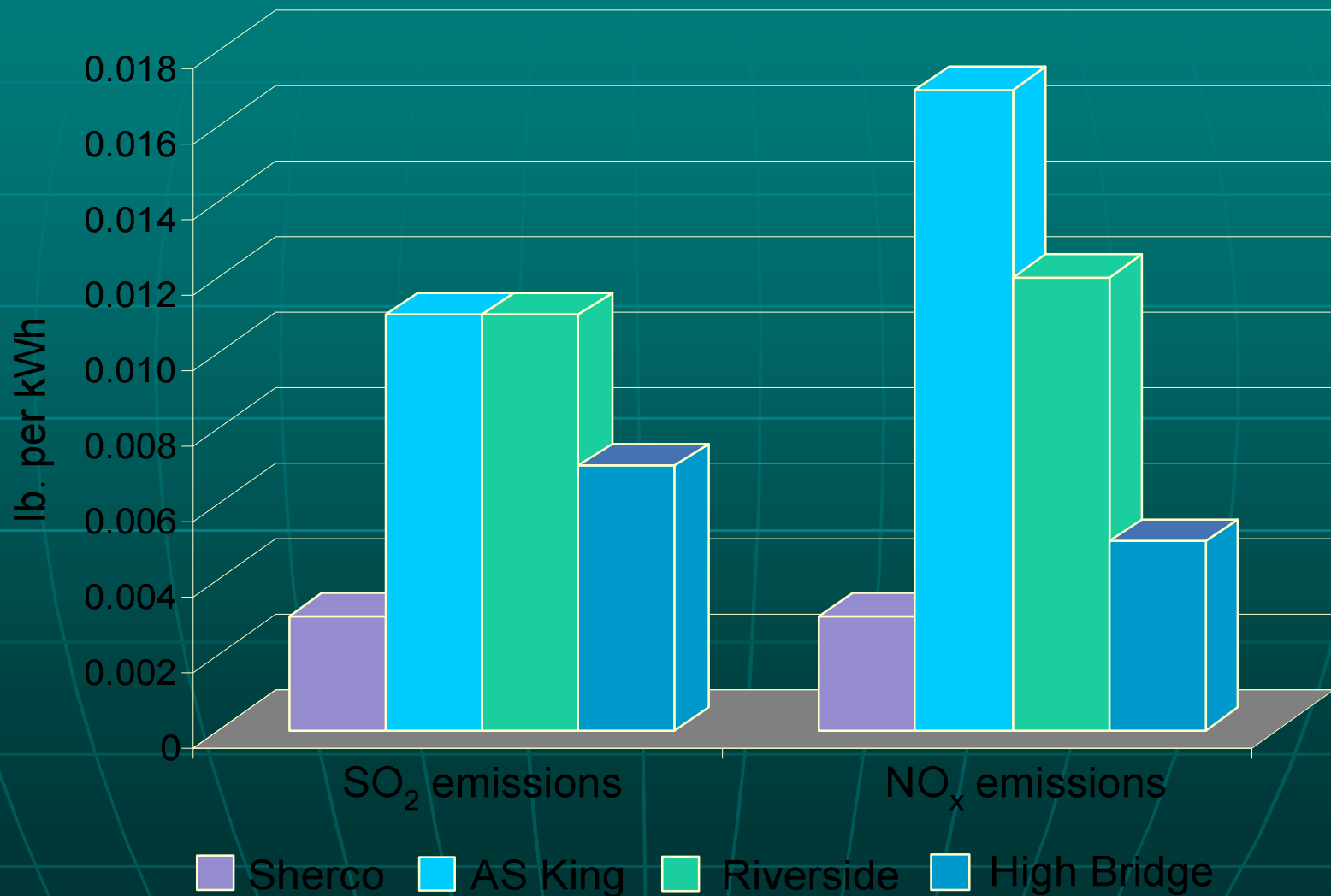


Environmental Drivers for Metropolitan Emission Reduction Plan (MERP)

- Fine particulate matter ($PM_{2.5}$) (SO_2 , NO_x)
- Coarse particles (PM_{10})
- Ozone (O_3) (NO_x)
- Mercury (Hg)
- Regional haze (SO_2 , NO_x)
- Lead (Pb)
- Greenhouse gases (CO_2)
- Acid Rain (SO_2 , NO_x)
- Localized impacts



Environmental Drivers for Metropolitan Emission Reduction Plan (MERP)



Metropolitan Emissions Reduction Plan – MPCA Review

- Technical review of proposed air pollution control devices
- Capital cost review
- Assessment of human health and environmental benefits
- Recommendation on “appropriateness” of project to the Minnesota Public Utilities Commission

Metropolitan Emissions Reduction Plan – PUC Review

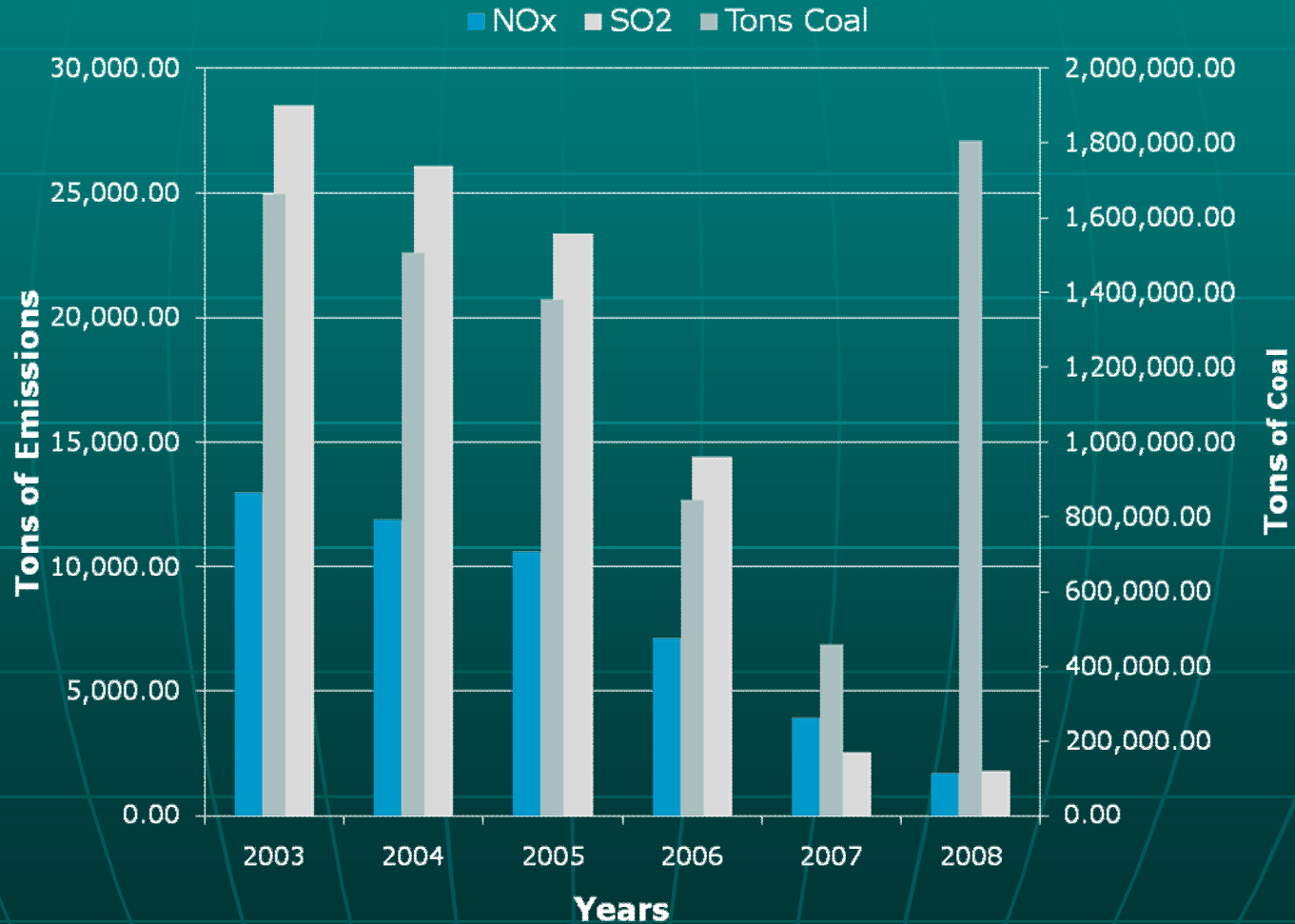
- PUC public hearings and comment periods focused on:
 - Natural gas supply and price
 - Environmental benefits
 - Project selection by Xcel
 - Costs and cost containment
- “Appropriately achieves environmental benefits without unreasonable consumer costs”



Metropolitan Emissions Reduction Plan – Keys to Success

- Enabling legislation – the roadmap
- Community/Stakeholder Buy-in
- Balanced benefits analysis:
 - Environmental benefits
 - Energy system benefits
 - Full context needs to be considered to effectively evaluate the costs
- Relationships and trust

Metropolitan Emissions Reduction Plan – Emission Reductions



Questions?

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