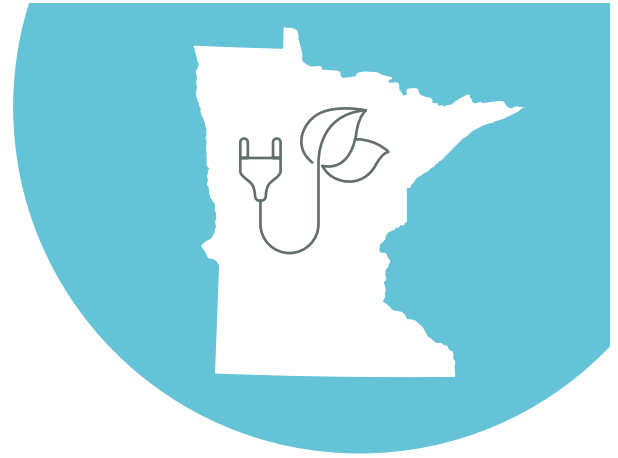


FACT SHEET: ENERGY EFFICIENCY OFFERS SAVINGS FOR MINNESOTANS



While electricity is essential for homes and businesses across the U.S., the cost of service can pose a burden to customers. One key strategy to limit this burden is to implement efficiency measures that can cut costs by reducing energy consumption.

ENERGY COSTS HAVE AN OUTSIZED IMPACT ON RURAL RATEPAYERS

- On average, a U.S. household spends \$1,411.80 for electricity annually. In 2020, Minnesotans spent \$1,225.32.¹
- Rural households tend to have higher energy burdens—the percentage of household income spent on energy.²
 - Rural households spend 40% more than their metropolitan counterparts on their energy bills relative to income.³ The average burden for rural elderly residents is typically 44% higher than the non-elderly.⁴
 - Low-income households spend three times more of their income on energy costs compared to the median spending of non-low-income households.⁵
 - Non-white and older adult households, and families living in low-income multi-family housing, manufactured housing, and older buildings also have disproportionately high energy burdens.⁶

INVESTMENTS IN ENERGY EFFICIENCY SUPPORT ECONOMIC OPPORTUNITY

Energy efficiency allows rural residents to decrease their energy use and burden while simultaneously supporting local economies. Local professionals can do energy audits and make many energy efficiency improvements to homes and businesses.

- The sector employs 2.1 million workers in the design, installation, and manufacture of energy-efficiency products and services.⁷ Of these, 281,589 are in rural communities.⁸
- The median hourly wage of \$24.44 for energy efficiency careers is 28% above the national median.⁹
- In Minnesota, energy efficiency is the largest energy sector.¹⁰
- Energy-efficiency jobs are not limited to urban areas. In Minnesota, energy-efficiency workers are located in every county, and the state has 41,148 jobs related to energy efficiency, with 9,948 of those in rural areas.¹¹

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STRONG POLICIES CAN HELP IMPROVE ENERGY EFFICIENCY

Investments in energy efficiency can create significant cost savings. For example, weatherization efforts can reduce low-income household energy burdens by as much as 25%.¹²

While many families and businesses may benefit from implementing energy-efficiency improvements, the cost of investment presents its own burden. States can improve rural energy-efficiency efforts through policies that encourage statewide collaboration on rural energy-efficiency programs, incentivize program administrators for reaching rural customers, measure rural economic impacts of energy-efficiency policies, and help municipal electric utilities and rural electric co-ops succeed.¹³

- Minnesota ranks ninth among states in energy-efficiency policy at the state or local level and is the leader in the Midwest.¹⁴
- The state of Minnesota requires energy-efficient public buildings and fleets, benchmarking energy use, and encourages the use of energy savings performance contracts.¹⁵
- Minnesota has not been on track to meet its goals to reduce greenhouse gas emissions in the state by 30% by 2025 (from 2005 levels) and by 80% by 2050. In response, Gov. Tim Walz signed Executive Order 19-37 establishing the climate change subcabinet and Governor's Advisory Council on Climate Change.¹⁶ A series of policies targeting carbon emissions followed.¹⁷



Next Generation Energy Act

- Minnesota passed the Next Generation Energy Act in 2007.¹⁸ The act requires electric and natural gas investor-owned utilities to reduce energy sales, and, as of 2021, spend 2.5% of their operating revenues on the Conservation Improvement Program (CIP).¹⁹
- CIP can include financial incentives for energy-efficiency equipment upgrades, system-wide improvements, and processing efficiency projects.
- The Center for Energy and the Environment estimates that over the past 20 years, CIP has saved Minnesotans \$6 billion.²⁰
- Due to the CIP incentives, those interested in improving energy efficiency are encouraged to check with their utility providers for easily accessible incentive programs.²¹



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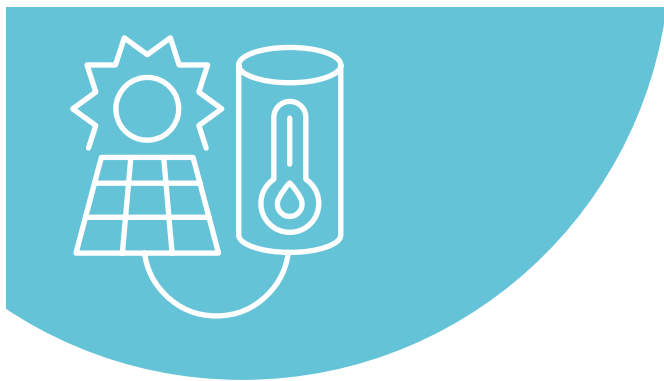
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Consumer Programs

- The Citizens Utility Board will help Minnesota consumers navigate resources to reduce energy consumption in their homes and provide individual consultations and utility bill clinics.²⁵
- Funds are available for local governments, schools, nonprofit organizations, health-care facilities, and commercial businesses. Programs include the Energy Saving Partnership, a program for local governments and Energy Savings Funds for Nonprofits.²⁶
- Households are eligible for funding to invest in energy efficiency and renewable-energy systems.²⁷ The Fix Up Loan Program offers low-interest, unsecured loans up to \$15,000 or secured loans up to \$50,000.²⁸
- Income-qualified households are eligible for two programs that work closely together to reduce energy consumption and costs:
 - Weatherization Assistance Program provides free home energy upgrades to income-eligible homeowners and renters to help reduce energy use and costs. Eligibility is based on 200% of Federal Poverty Income Guidelines (\$55,500 for a family of four).²⁹
 - Energy Assistance Program offers grants of up to \$2,000 for heat, power, and water costs paid directly to the utility.³⁰



Property Assessed Clean Energy

Property Assessed Clean Energy (PACE) allows property owners to finance energy-efficiency and clean-energy projects through an assessment on their property taxes. This allows them to pay back the costs of projects over time, limiting the upfront investment while reducing energy costs.²²

- In Minnesota, most PACE loans are run through MinnPACE, while there are also local administrators of the program.
- As of 2020, Commercial PACE investment in Minnesota reached \$95 million, which is sixth highest in the nation.²³
- MinnPACE covers 100% of all project costs. Projects become cash-positive, with financial savings outweighing financial burden.²⁴
- PACE is a fit for most industries, including farms, commercial office buildings, nonprofit organizations (including places of worship), and multi-tenant buildings.

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