



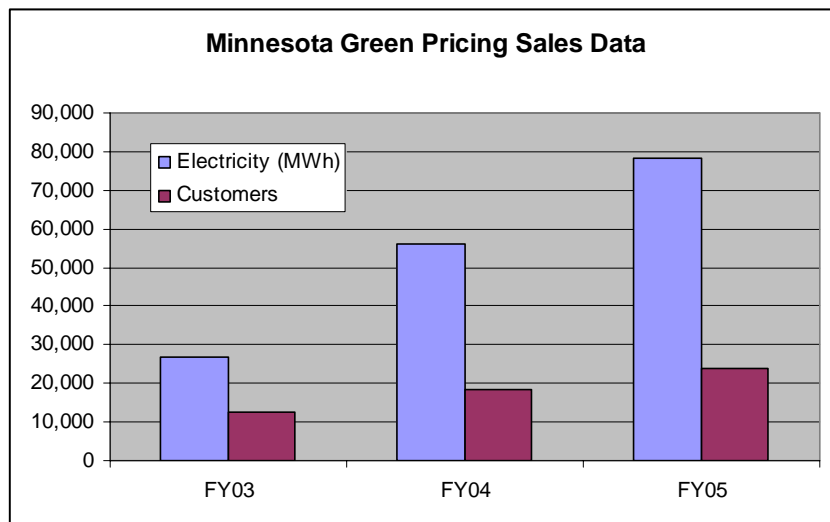
Background

Green pricing programs, which are offered by all Minnesota electric utilities, provide customers with the option to buy renewable electricity, generally through wind projects located in Minnesota and the surrounding states. Customers voluntarily pay a premium to support renewable energy projects and offset some or all of their consumption with an equivalent amount of renewable electricity. For example, the average Minnesota household may pay \$6-12 per month, depending on their utility, to offset 100% of their consumption with green electricity - more efficient consumers could pay as little as \$1 per month. Consumers can choose a variety of participation levels to fit their goals or budget by contacting their electric utility or visiting the resources section at the end of this document to find out more about green pricing.

Xcel Energy green pricing customers see an additional benefit by using green pricing purchases as a price hedge against fossil fuel price variations. In August 2005, their green pricing customers paid slightly less than regular customers, however this is not expected to be common, since the most volatile fuel, natural gas, makes up only a small portion of Xcel's generation mix.

Minnesota Green Pricing Sales Data

Statewide green pricing programs have experienced significant growth in the last three years, increasing both the electricity sold and the number of customers by about 30% each over the last fiscal year. Over 23,000 Minnesota consumers purchased over 78,000,000 kilowatt-hours of green pricing electricity in fiscal year 2005 (FY05).



* FY03: 7/1/02-6/30/03; FY04: 7/1/03-6/30/04; FY05: 7/1/04-6/30/05

Top Five Green Pricing Programs Relative to Utility Electricity Data

Generally speaking, municipal utilities sold the highest percentage of green pricing electricity and had the highest percentage of customers signing up for green pricing. In FY05, for example, Preston municipal utility had 1.6% of their total sales from green power, while Moorhead municipal had 5.3% of their customers participating in their green pricing program.

Table 1. Top five green pricing programs as a percentage of their total electricity sales*

FY03		FY04		FY05	
Moorhead	0.9%	Preston	1.9%	Preston	1.6%
Preston	0.6%	Spring Valley	0.9%	East Grand Forks	1.4%
Coop Light & Power	0.5%	Moorhead	0.9%	Le Sueur	1.1%
Lake Park	0.4%	Coop Light & Power	0.6%	Spring Valley	0.9%
Spring Valley	0.4%	Grand Marais	0.4%	Moorhead	0.9%

* Utility green pricing sales divided by utility total sales; based on 2003 customer data;
 FY03: 7/1/02-6/30/03; FY04: 7/1/03-6/30/04; FY05: 7/1/04-6/30/05

Table 2. Top five green pricing programs as a percentage of their total customers*

FY03		FY04		FY05	
Moorhead	5.7%	Moorhead	5.5%	Moorhead	5.3%
Preston	3.6%	Coop Light & Power	3.4%	Winthrop	3.8%
Luverne	3.1%	Preston	3.1%	Coop Light & Power	3.2%
Lake Park	2.9%	Luverne	3.1%	Detroit Lakes	3.0%
Detroit Lakes	2.4%	Lake Park	2.9%	North St. Paul	2.9%

* Utility green pricing customers divided by utility total customers; based on 2003 customer data;
 FY03: 7/1/02-6/30/03; FY04: 7/1/03-6/30/04; FY05: 7/1/04-6/30/05

Top Five Green Pricing Programs Relative to Statewide Green Pricing Data

Relative to the total amount of green pricing sold, a mixture of investor-owned, cooperative, and municipal utilities captured the highest amount of green pricing market share for both electricity sales and customers. In FY05, for example, Xcel Energy, the largest electric utility in Minnesota, sold the 42.5% of the state’s green electricity and had 50% of the state’s green pricing customers, which is consistent with their size. However, several municipal and cooperative utilities sold more than would be expected.

Table 3. Top five green pricing programs as a percentage of statewide green pricing sales*

FY03		FY04		FY05	
Moorhead	13.2%	Xcel Energy	33.5%	Xcel Energy	42.5%
Dakota Electric	11.7%	Dakota Electric	6.5%	Dakota Electric	5.1%
OtterTail Power	10.7%	Moorhead	6.0%	Rochester	5.0%
Minnesota Power	6.6%	Rochester	6.0%	Connexus Energy	4.8%
Xcel Energy	5.8%	Connexus Energy	5.2%	Moorhead	4.1%

* Utility green pricing sales divided by statewide green pricing sales;
 FY03: 7/1/02-6/30/03; FY04: 7/1/03-6/30/04; FY05: 7/1/04-6/30/05

Table 4. Top five green pricing programs as a percentage of statewide green pricing customers*

FY03		FY04		FY05	
Xcel Energy	27.7%	Xcel Energy	43.6%	Xcel Energy	50.0%
Minnesota Power	9.0%	Minnesota Power	6.3%	Minnesota Power	4.4%
OtterTail Power	7.5%	Dakota Electric	5.1%	Dakota Electric	4.3%
Dakota Electric	7.4%	OtterTail Power	5.0%	Rochester	3.8%
Moorhead	6.5%	Moorhead	4.1%	OtterTail Power	3.5%

* Utility green pricing customers divided by statewide green pricing customers;
 FY03: 7/1/02-6/30/03; FY04: 7/1/03-6/30/04; FY05: 7/1/04-6/30/05

Notes

Data was not available for all electric utilities. These rankings represent those utilities for which information was available in all categories for each fiscal year.

All Minnesota utilities are required by state statute to offer their customers a green pricing program option (216B.169). The Department certifies green pricing generating sources and tracks data from the electric utilities annually.

Resources



Minnesota Department of Commerce Green Pricing Guide (search “green pricing”)
<https://www.commerce.state.mn.us>



Minnesota Pollution Control Agency Green Power Promotion
<http://www.moea.state.mn.us/energy/greenpower.cfm>



U.S. Department of Energy
Energy Efficiency and Renewable Energy

U.S. Department of Energy Green Power Network
<http://www.eere.energy.gov/greenpower/>



U.S. Environmental Protection Agency Green Power Utility Locator
<http://www.epa.gov/greenpower/locator/>