



RESPONSIBLE BY NATURE™

Motor Efficiency Program

J.L. (Bob) Zaragoza
Product Portfolio Manager

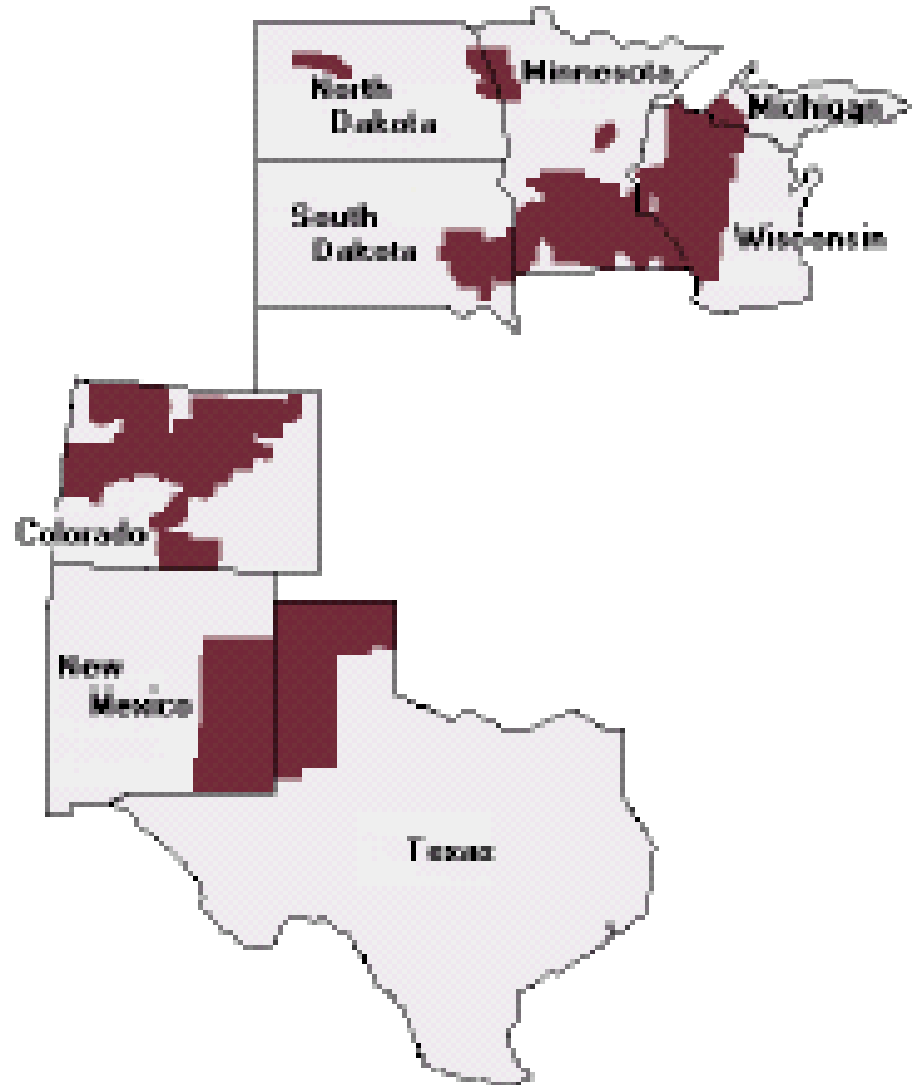
Agenda

- **The Big Picture**
- **Background**
- **Past, Present and Future**
- **Motor Efficiency Program (Upgrade)**
- **Safeguards/Validation**
- **Beyond 2010**

The Big Picture

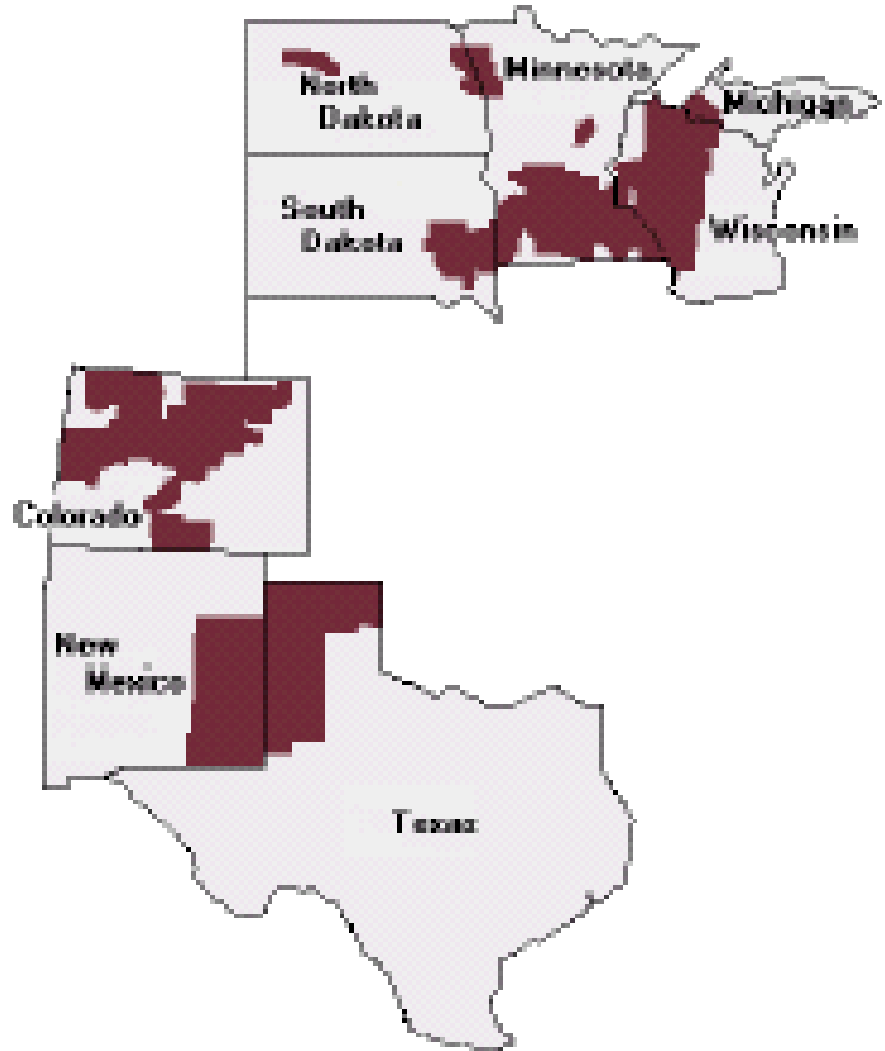
About Us

- **Investor Owned Utility**
- **Operate 8 states**
- **Comprehensive portfolio of energy-related products**
 - 3.3 million electricity customers
 - 1.8 million natural gas customers.
- **Conservation programs vary by state**



Motor Conservation by State

- **MN - 1985**
- **TX – 2000**
- **WI – 2001**
- **CO – 2006**
- **NM – 2009**
- **ND & SD – Pending**

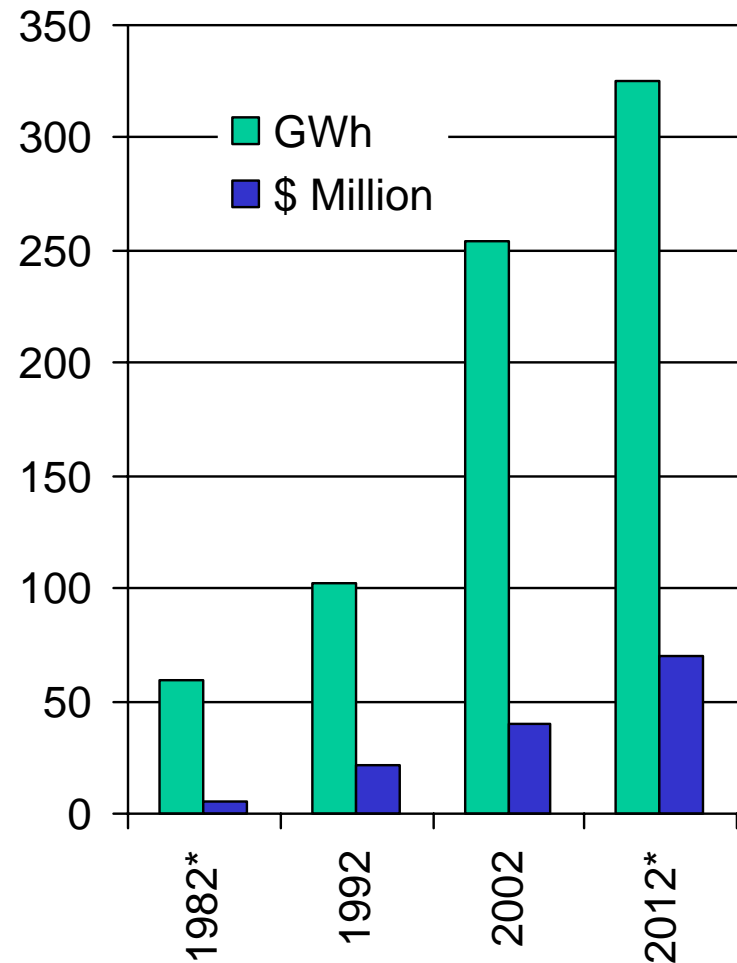


Past, Present and Future

Minnesota

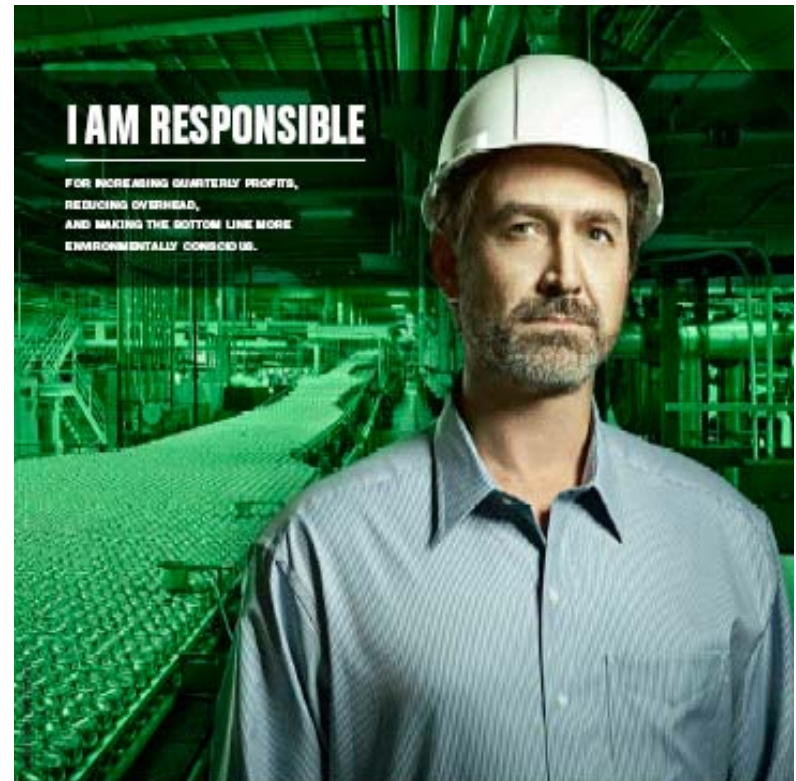
MN Conservation Programs

- **Since 1982**
- **Current 35+ programs**
- **Segments**
 - Residential
 - Industrial
 - Commercial
 - Low-Income
 - Load Management
 - 3rd Party programs
 - Planning & Research



Delivery

- **General Awareness Media Campaign**
 - Television
 - Radio
 - Print
 - Internet
- **Sales Account: managed and unmanaged**
- **Customer Newsletter**
- **Direct Mail – leverage marketing effort**
- **Customer Expos**
- **Vendor meetings**
- **Trade Management**



There can be an upside to cost-cutting. Using less energy to save more is a perfect example. But finding ways to be more energy efficient is a lot closer. Xcel Energy can show you how to get money back for choosing energy-efficient equipment that exceeds standard options. Working together, we'll help bring you operating costs down and your profits up. And that's pretty responsible, for the environment and your bottom line. Contact us for more solutions. Go to 1-800-481-4708 or visit ResponsibleByNature.com to start saving today.

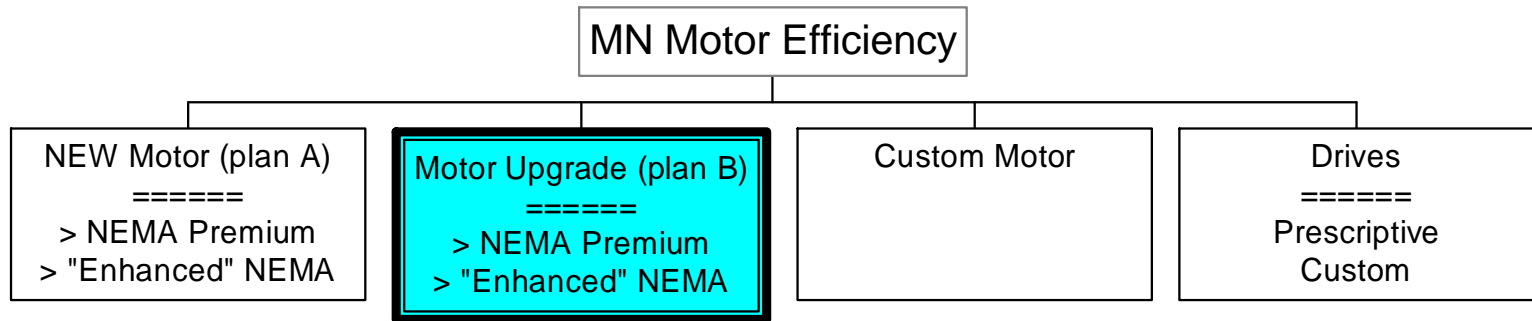


Trade Management

- **Dedicated staff**
- **Communications with manufactures**
- **Installation contractors**
- **Local distributors (motor shops)**
 - **Tiered trade incentives \$1-\$3/hp**
 - **Lead generation**
 - **Paid upon qualification**

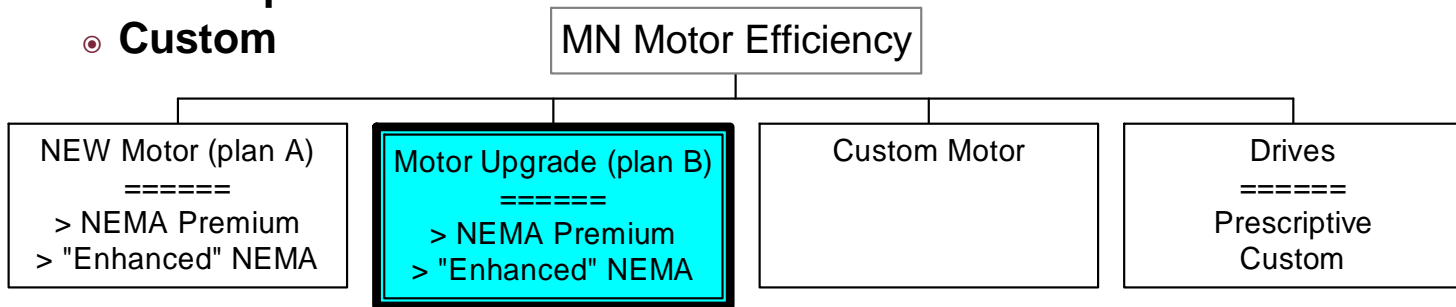
MN Motors Programs

Motor Type/Components



MN Motor Plan Types

- **Prescriptive - New Motor (Plan A)**
 - New/Burned out
 - “Buying a new vehicle”
- **Prescriptive - Upgrade (Plan B)**
 - Replacing an operating motor
 - “Trading in your working vehicle”
- **Custom**
 - Not eligible for prescriptive
 - Preapproval required
- **Drives (ASD/VFD)**
 - Prescriptive
 - Custom



MN Motor Components

- **Prescriptive (1- 500 hp)**
 - **NEMA Premium[®]**
 - **“Enhanced” NEMA Premium**
 - **1% pt above NEMA Standard**
 - **94.5 + 1 = 95.5**
 - **Not 1% of 95.5**
- **Custom (> 500 hp)**

Motor Technical Assumptions

- **Regulatory approved filings**
 - **Data collection varies**
 - **Assumptions vary within each state**
 - Participation
 - Product line
 - Approved technology
 - Size (hp)
 - Operational hours
 - kW, kWh savings
 - Free ridership
 - Measure life
 - **Past performance**
 - **Resources**
- **Resources**
 - **Other utility programs/assumptions**
 - **Studies**
 - US DOE Motor Market Opportunities Assessment
 - Internal evaluation
 - Market potential
 - **MotorMaster+**
 - **Vendors**
 - Cost - Data
 - Product movement
 - Trade Partner incentive
 - **Organizations**

MN Motor Rebate Offer

New Motor

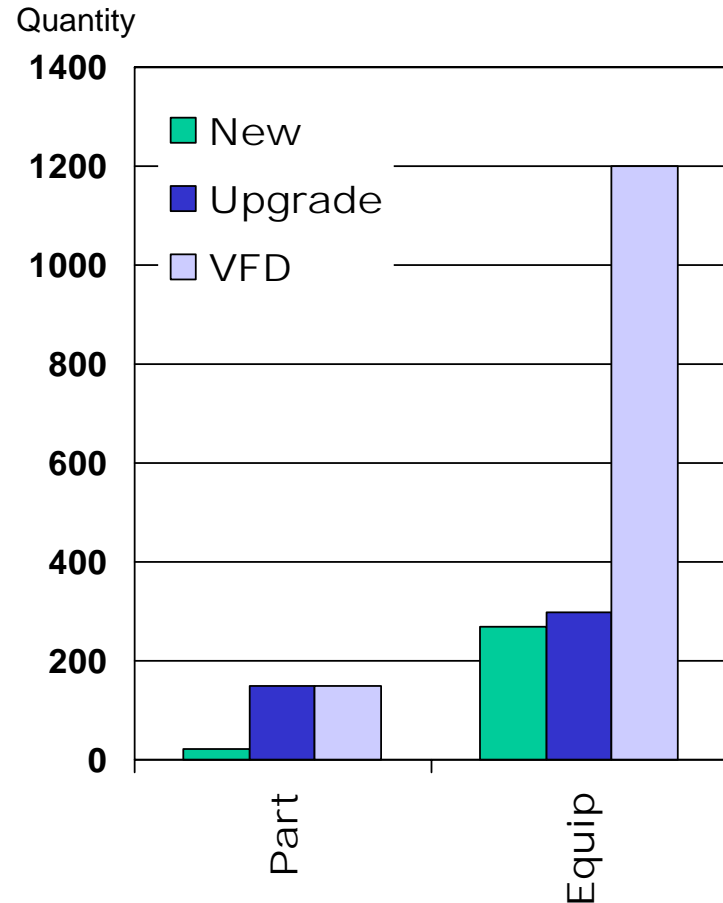
- NEMA - \$4/hp
- “Enhanced” - \$6/hp

Upgrade

- NEMA - \$16.50/hp
- “Enhanced” - \$18.50 /hp

Drives

- \$30/hp



Safeguards/Validation

Safeguards

- **Rebate Application Terms and Conditions**
- **Signatures – Customer, Contractor**
 - I hereby certify that.....accurate, true...
 - I certify that ...was working, removed, scrapped, no longer in service
- **External parties willing to accept**
 - Regulators, 3rd party interveners
- **Opportunities for retroactive inspections**
 - Reserve the right to conduct...pre/post
 - Site access
 - Up to one year, or X# of months
- **Internal audit of employee sales staff submitted documents**
- **Delicate balance among design, customer ease, policing, added cost of each measure**

Validation

- **Part 1**

- **Validate paperwork**
 - **Application**
 - **Customer Invoice**
 - **Manufactures specification**

- **Part 2**

- **Random selection – 10% applications/month**
- **Third party validation**
- **Site inspection**
 - **Installed**
 - **Match application**
 - Quantity
 - Model
 - HP
- **Corrections as warranted**

Life after 2010

- **Wholesale program changes**
 - Target: 23 - 34 GWh, 1,000+ participants
- **New motor rebate questionable**
 - Depends on inventory
 - Economy
- **Emphasis on upgrading**
- **Emphasis on VFD**
- **Leveraging with other programs**

2010 Re-evaluation

- **Increase 30% beyond 2010 (MN)**
 - **Application**
 - **Prequalification**
 - **Documentation (invoice)**
 - **IT systems**
 - **Product availability (technology)**
 - **Rebate levels**
 - **Measurement and Verification**



RESPONSIBLE BY NATURE™

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