

# MDM Sponsor Spotlight: Xcel Energy

## September 28, 2006

### Purpose:

1. Vendors and program managers will learn about another program, how it works, how to participate, the benefits, and the range of programs in a region.
2. Building from the contact MDM sponsors have historically had at the national level, call participants now have a chance to make initial introductions at a regional level.
3. Participants have an opportunity to give and receive feedback on how programs work in the field.

### Summary:

Ilene Mason welcomed callers and callers identified themselves and their affiliations. Ilene described the background and rationale for having Sponsor Spotlight calls and listed the three purposes for the call. Ilene then introduced the speakers:

- Bruce Peterson, Product Portfolio Manager
- Brian Hammarsten, Minnesota Trade Relations Manager
- Bill Gruen, Colorado Trade Relations Manger

Bruce, Brian and Bill delivered their presentation on Xcel Energy programs in Minnesota and Colorado, referring to a PowerPoint presentation that was provided to callers prior to the call.

A question-and-answer session followed. Ilene concluded the call.

### Next Steps:

Callers were especially interested in learning more about vendor incentives (currently in MN, coming soon to CO), and signing up for the *Energy Exchange* e-newsletter (in both MN and CO service territories). Callers were encouraged to directly contact Brian about Minnesota programs and Minnesota *Energy Exchange*; Bill about Colorado programs and Colorado *Energy Exchange*; and Bruce about program evaluation and other questions.

- Bruce Peterson, Product Portfolio Manager (303) 294-2263  
[bruce.peterson@xcelenergy.com](mailto:bruce.peterson@xcelenergy.com)
- Brian Hammarsten, MN Trade Relations Manager (612) 330-7769  
[Brian.hammarsten@xcelenergy.com](mailto:Brian.hammarsten@xcelenergy.com)
- Bill Gruen, CO Trade Relations Manger (303) 294-2082  
[william.gruen@xcelenergy.com](mailto:william.gruen@xcelenergy.com)

The presentation, notes, and links will be available on the MDM website.

### Question-and-Answer:

*Q: How is the incremental cost of motors calculated? Was Motor Master used as a tool in the calculation? (Slide 16)*

A: Incremental cost was a comparison of NEMA Premium to EPAAct motors. Average costs were calculated using information from Motor Master as well as information provided by local manufacturers and distributors.

*Q: How did you calculate savings – when is M&V required? (Slide 25)*

A: For our prescriptive programs (1-200hp) we follow a prescriptive model. For our custom programs (>200hp) in Colorado M&V is required when savings projections exceed ½ GWh. For

our custom programs (>200hp) in Minnesota M&V is required when savings projections exceed 1 GWh.

*Q: How do you work with motor vendors?*

A: Our channel managers call them directly. We work with EASA to get lists of members and then work with individual shops one-on-one. In MN we have a vendor incentive program that pays cash rewards based on hp of the sale. Last year vendors earned \$18-20K. We plan to launch a vendor incentive program in CO in 2007.

*Q: Who receives the vendor incentives?*

A: We send a check directly to the individual salesperson in most cases. In others, we send the full amount to the company and they distribute the funds according to their process.

*Q: How can I (a manufacturer) coordinate vendor Xcel incentives in my work force?*

A: Work directly with Brian and Bill, depending on the service territory you are interested in.

*Q: Have you found that the incentive is enough to motivate vendors?*

A: In the MN program, 2006 YTD, 6 of 11 GWh saved can be attributed to sales made by participating vendors. Our Account Managers and BSC (Business Solution Center) agents really push the incentive program, since they themselves are paid incentives for completed projects. As for vendor participation in the incentive program, 5 vendors are currently active. We would like more, but are not sure how best to reach out to them.

*Q: Do you feel that awareness of customers is lacking? If so, why?*

A: Lack of end user education; the pressure of the burn-out situation; and limited NEMA Premium inventory.

*Q: What is your experience with extending the rebate application deadline in CO to allow two years for installation? (Slide 14)*

A: We did that because we thought it might encourage large end-use customers to purchase NEMA Premium motors for their spares in inventory. For example, a large university in Minnesota wasn't buying efficient motors because by the time they were installed, they were no longer eligible for the rebate. Several large customers have responded positively, but that feature has only been around for a year, so it's still too soon to tell. This feature applies to our MN programs as well.

*Q: How much success have you had with the VFD program? (Slides 22-24)*

A: VFDs account for about 1/4 of our total energy savings.

*Q: If a customer purchased a NEMA Premium VFD, would they qualify for double rebate?*

A: Yes, one for the motor and one for the VFD.

*Q: How do you use MDM materials in your programs?*

A: Currently we use them as follows:

- Channel managers and BSC agents are trained on an ongoing basis and are provided the MDM materials during training.
- They mention MDM during conversations with vendors and motor trade customers.
- Our internal electronic newsletters refer to MDM materials.
- Our *Energy Exchange* e-newsletter goes out to vendors and customers and contains our case studies as well as references to MDM materials.

- At our annual open house in May we invite customers and vendors and provide materials there; the MotorSlide Calculator was a big hit.

*Q: How do you evaluate products and determine what specifications qualify for rebates?*

A: We have a technical consulting staff that looks at the history of the product and works with the state Department of Commerce (for MN programs) to develop assumptions based on actual state data. Then we compare cost and efficiency gains between products. They usually work with the most commonly available equipment for the prescriptive programs. For our custom programs, each project is evaluated on an individual basis. The testing procedures in CO are more stringent than in MN because state regulations are more stringent.

*Q: What is your biggest challenge and what direction do you need to head to overcome it?*

A: We would like to foster more awareness at the customer level and find ways to get more trade vendors engaged and participating.