

Alan Muller

*1110 West Avenue
Red Wing, Minnesota, USA
55066
302.299.6783
alan@greendel.org
<http://alanmuller.com>*

October 13, 2014

Dear Red Wing City Council Members

Regarding: Proposed Memorandum of Understanding—Xcel “Partners in Energy” program

I have reviewed this with the question in mind of whether it is more in the interests of Red Wing residents, or more in the interests of Xcel Energy, and to what extent these interests align or conflict.

I approach this with a background of some thirty years of involvement in Utility resource planning, pollution control, and related issues.

The MOU as written does not seem desirable. Some background:

Xcel Energy (Northern States Power Company—Minnesota) is a privately owned corporation whose primary legal responsibility is to maximize returns to shareholders.

Electricity demand growth is essentially zero, while the electricity industry is changing rapidly and dealing with many unknowns.

Xcel is pursuing a business plan based on rapid and continuous rate increases, which it will mostly get, whether justified or not.

These increases are not justified by the present low wholesale price of commodity electricity or by the present low cost of wind and solar electricity.

Utilities in general, and Xcel in particular, have long experience at pretending to promote conservation and efficiency while avoiding actual impacts on sales.

On the other hand, Red Wing residents are burdened by ever-increasing utility bills, and much of the housing stock in Red Wing is relatively old and has poor thermal performance.

So, Xcel seems to have an increased business need to control and manipulate public perceptions and “Partners in Energy” seems to be about just that.

There is almost nothing of real substance in the Memorandum or supporting documents—basically just a lot of blather about an “energy action plan.”

It is clear that the entire process would be controlled by Xcel, not by the people of Red Wing. Just look

at the last page of the MOU where responsibilities are defined. Xcel would (Right hand column, translated into plain language):

- o Choose the “participants;
- o provide the analysis of energy use;
- o “facilitate” (control) the meetings;
- o provide “training and guidance” (more control);
- o write the reports (more control);
- o provide “communications tools and support,”

The outcome would be controlled by Xcel and serve Xcel's interests.

Especially disturbing—and insulting—is the proposal to provide pre-written propaganda for distribution by City officials. From page 8 of a supporting presentation:

"You receive content and support to help you inform and engage your community directly." This includes “Letter from the Mayor,” “Website Content,” “newsletter,” and “Social Media.”

Perhaps I'm naïve, but I don't think City officials are elected to distribute canned special interest propaganda.

I do agree with the Sustainability Commission that Red Wing should look at energy options. But this should NOT be done under the control of Xcel Energy. I would be happy to talk about more constructive approaches.

Yours very truly,

Alan Muller