



Partnership name:

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PARTNERSHIP PLANNING QUESTIONS

1. What is the initial vision of the lead partner/Partnership?

The primary goal of Minnesota Power's Conservation Improvement Program (CIP) is energy savings. In addition to being committed to meeting the CIP goals, Minnesota Power managers realize that their customers seek to save dollars. In addition to saving dollars, they want to support a better environment and enhance their comfort and productivity. We call it **Saving More Than Energy**. Therefore, our goal is to go beyond short-term energy savings and encourage our customers and communities to take ownership of, and invest in, sustainable energy savings. We want to work together to impact the market for energy-efficient products and services, by promoting energy-efficient technologies and encouraging customer and provider network participation in saving energy. In essence, a successful CIP Program depends on our ability to create and deliver the true value of energy savings for our customers by optimizing existing partner networks that support them.

2. What is the Partnership's initial focus and structure?

Minnesota Power's current CIP plan is founded on three core principles:

- **Collaborating** with key stakeholders to design and deliver innovative and creative CIP initiatives that enable all of us to achieve the benefits of sustainable energy savings.
- **Leveraging** dollars, information and infrastructure to deliver optimum energy savings, productivity, comfort and environmental benefits one customer at a time. This will enable us to spur investment in energy efficiency, conservation and renewable resources.
- **Managing** the customer's experience at each point of contact to make it easy to participate in our CIP initiatives. Our experience with the Triple E and ENERGY STAR provider network marketing approach has taught us the importance of creating a positive experience based on finding, trying and purchasing energy-efficient products and services. This approach is an integral part of our current CIP program, from PowerGrant to R&D. By delivering the right product to the right customer at the right time, we can help customize a package of tools to enable people to take control of their long-term energy usage.

We believe these principles focus on the customer's needs and the communities and businesses where they live and work.

Minnesota Power's conservation improvement plan provides a wide variety of programs to ensure that all market segments have educational and direct-impact program opportunities:

Individual CIP Project Budgets

Approved Projects	2004	2005
Triple E Plus	\$701,088	\$713,213
Comprehensive Low-Income Energy Partners	\$288,097	\$288,097
PowerGrant	\$1,000,000	\$1,000,000
Industrial Conservation Pilot Project	\$280,000	\$280,000
Integrated Energy Education and Communications	\$177,625	\$169,625
Energy Analysis	\$203,000	\$203,000
Research and Development	\$200,000	\$200,000
Small Scale Renewable Energy Pilot Project	\$132,367	\$132,367
Evaluation and Program Development	\$79,440	\$79,440

3. Who does the Partnership identify as potential "partners"? What are the proposed responsibilities of these "partners"?

Minnesota Power's 2004-2005 Biennial Conservation Improvement Program (CIP) filing focuses on Minnesota Power's role as a "Powerful Partner in Your Community." We believe that by working with local leaders, businesses, community groups, other energy providers and government entities, as well as the existing product infrastructure, we can help our customers reap the economic and environmental benefits of sustainable energy savings. Minnesota Power and its partners will help our customers achieve this through research, education, evaluation and direct-impact initiatives focused on market segments.

4. What are the Partnership's targeted building sectors?

Customers within Minnesota Power's service territory who participate in the company's various CIP activities. All market segments are included in the CIP offerings by the Company.

5. What are the Partnership's initial goals for building performance, EE projects and activities? Square footage? Energy reduction?

For the biennial period of 2004-2005, the company plans to spend \$6.17 million on CIP activities, with savings goals of nearly 55 million kWh of electric energy and nearly 11,100 kW of electric demand at our customers' meters. No single building type or end-use is singled out for emphasis.

6. How will building improvements fit in with local priorities?

Partner participation in all CIP activities is voluntary. However, participation in CIP project that involve construction or minimum efficiency standards all exceed the minimums. Thus, the CIP activities tend to drive up minimum construction and efficiency standards.

7. How will the activities of the Partnerships be supported?

Minnesota Power is required to support DSM programs by Minnesota Statutes 216B.241. The Company is committed to promoting and delivering efficiency and value to our customers.

8. What is the Partnership's time frame-schedule?

Partner participation is ongoing. Stated goals are expected to be achieved by the end of calendar year 2005.