

MINNESOTA FLEX PRICING PILOT

INFORMATION SHEET
MINNESOTA

FREQUENTLY ASKED QUESTIONS



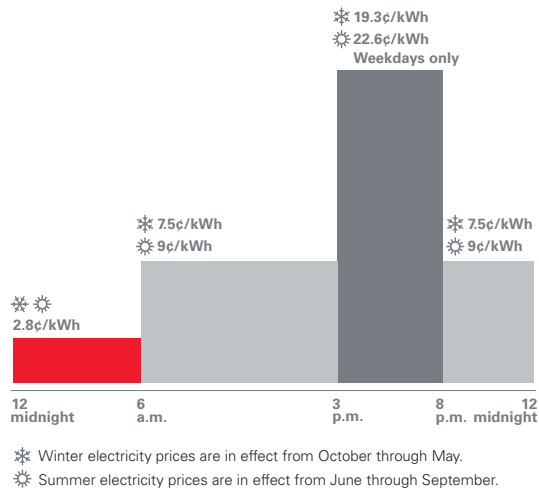
The Flex Pricing Pilot program gives participants a new way to save on their energy bill. With Flex Pricing, electricity prices vary depending on the time of day. That means your bill will depend on how much electricity you use and also on when you use it. Xcel Energy is piloting Flex Pricing with 10,000 customers in Minnesota. Read on for answers to some common questions.

What is Flex Pricing?

With Flex Pricing, the price of electricity depends on the time of day it's used.

Electricity costs more to produce when demand is high. During these times when customers are using the most energy, we often need to get energy from sources that cost more and rely more on fossil fuels, which are less environmentally friendly.

That's why customers in the pilot program pay less for energy they use earlier in the day, later in the evening and overnight, when electricity is cheaper to produce. Energy prices between 3 p.m. and 8 p.m. on weekdays are higher—to better reflect the real costs to produce energy.



Why is Xcel Energy doing a Flex Pricing Pilot?

The pilot aims to benefit all customers, and it will inform future electricity pricing in Minnesota. Shifting energy use to off-peak hours helps us better manage our energy grid, reduce fossil fuel use, and use more renewable energy. If we avoid spikes in electricity demand, we could avoid building new power plants in the future, lowering costs for everyone.

Who is included in the pilot program?

We chose 17,500 pilot participants from the South Minneapolis and Eden Prairie areas. We identified pilot participants based on several factors, including energy usage and home type. We chose the pilot areas with input from local leaders, communities and the Public Utilities Commission. We want to make sure that pilot participants represent all our customers equally, so we can ensure the lessons we learn from the pilot apply to everyone.

As part of the pilot study, a random group of 7,500 customers received new smart meters, but they will stay on their current pricing during the pilot. This group helps us measure how effective the new pricing is at encouraging shifts in energy use.

If you're one of the 10,000 customers with Flex Pricing, we first sent you a welcome packet in the mail in March 2020. The pilot start date was postponed, so participants received another welcome packet in October 2020.

Will my bill increase with Flex Pricing?

On average, pilot participants' bills will stay about the same as today. Individually, your bill will depend on when and how much electricity you use, and you will have the opportunity to save money if you use less energy during peak hours (3 p.m. to 8 p.m. on weekdays).

But if you don't end up saving, we have you covered for the first year of the program. At the end of the first year, if your bills are more than 10% above what they would be under standard pricing, you will receive a bill credit for the amount above that 10%.

If you're enrolled in the Energy Assistance Program, you have the same opportunity to save, and we will also ensure your monthly bills do not increase during the first year of the pilot. If you don't save during the first year, you will get a bill credit for any month you don't save, to keep your bill in line with what it would be under standard pricing. At the end of the second year, if your bills are more than 10% above what they would be under standard pricing, you will receive a one-time bill credit for the amount above that 10%.

If you move out of the pilot area or opt out of Flex Pricing, you will not be eligible for future bill protection credits.

How can I save money with Flex Pricing?

Saving money is as easy as making a few changes to your routine. Here are just a few small things that could save you money:

- Do laundry on the weekends instead of weekday evenings.
- Run your air conditioning a little higher overnight to cool your home for the next day. Be sure to turn the thermostat back up in the morning.
- Run a full dishwasher before bed instead of after dinner. Your dishwasher might have a "delay" button, making it extra easy.

Visit xcelenergy.com/FlexPricing to find more tips to save. And be sure to check out the tools and personalized insights available online through My Account. Visit xcelenergy.com/MyAccount to log in or sign up.

Does Flex Pricing help the environment?

Flex Pricing is one way we can work together to reduce peak electricity demand. Demand is the amount of electricity needed to supply all of our customers with all the electricity they need at any moment in the day. When demand spikes, we often need to get energy from sources that cost more and rely more on fossil fuels, which are less environmentally friendly.

If we can reduce those spikes in electricity demand, we could use even more renewable energy now avoid and building new power plants in the future.

How long will the pilot program last?

The pilot start date was postponed in spring of 2020, but the Flex Pricing Pilot will last for two years, from Nov. 1, 2020, through Oct. 31, 2022.

What is a smart meter?

A smart meter measures electricity use and shares that information wirelessly with Xcel Energy. Smart meters enable many benefits, including improved outage detection and response, future web tools to help you make more informed decisions about your energy use, and future programs and services to help you save energy and money. Smart meters measure your energy use every five minutes. This way you can see how much energy you use and when you use it.

What if I don't want to participate?

You can opt out any time during the two-year pilot. Just email inquire@xcelenergy.com or call **800.895.4999**. If you opt out, you will not be eligible for future bill protection credits.

What if I have more questions?

Visit xcelenergy.com/FlexPricing, email inquire@xcelenergy.com or call **800.895.4999**.

