

**Minneapolis Clean Energy Partnership
CEP BOARD MEETING**

Xcel Energy, 401 Nicollet Mall

Friday, June 3, 2016

10:00 a.m. – Noon

2016 Q2 Meeting Notes

Board members present: Mayor Betsy Hodges, Council Member Elizabeth Glidden, Council Member Kevin Reich, Spencer Cronk, Jeff Daughtery and Brad Tutunjian from CenterPoint Energy, Laura McCarten and Lee Gabler from Xcel Energy

Board members excused: None

Guests: Helen Booth-Tobin, Council Member Cam Gordon, Sarah Goodspeed, Alice Madden, Marcus Mills, Doug Peterson, Lee Samelson, Mark Ruff, Siri Simons

Planning Team present: Bridget Dockter, Nick Mark, Kelly Muellman, Gayle Prest, Al Swintek, Stephanie Zawistowski

1. Welcome and Introductions

Mayor Betsy Hodges called the meeting to order at 10:08 a.m., and invited Clean Energy Partnership (CEP) Board Members and guests to introduce themselves.

2. Photograph

Board members posed for a photograph.

3. Review and approve Agenda and Minutes

Mayor Hodges asked for a motion to approve the agenda. It was MOVED and SECONDED that the agenda be approved. Motion CARRIED.

Mayor Hodges asked for a motion to approve the minutes. It was MOVED and SECONDED that the minutes be approved. With one technical correction on item number 4, second paragraph, last sentence (changing Minnesota Public Housing Authority to Minneapolis Public Housing Authority), the motion CARRIED.

4. Annual Report Presentation and Discussion

Gayle Prest, Minneapolis Sustainability Director, offered her thanks to the CEP Board on behalf of the Planning Team and Energy Vision Advisory Committee (EVAC). At its meeting on May 23 EVAC members gave their feedback on the current Annual Report and offered suggestions to the Planning Team for next year.

The Planning Team provided an overview of the Clean Energy Partnership (Partnership) Annual Report 2015 (Report). Gayle said the Executive Summary provides an overview of the Partnership, its history, the structure, key findings and activities, and next steps. The first year of the Partnership took a lot of work internally to figure out how to work together to gather data,

establish protocols, learn about and understand each other's different programs, nomenclature and vocabulary.

The Report is based on the metrics recommended by EVAC and approved by the Board. Data was gathered by census tract (there are 160 in the city) which to the Planning Team's knowledge has never been done before. Demographic data (i.e. income, poverty, and race) are included on Pages 80-83 of the Report. Data contained in the report has not yet been evaluated and analyzed by the Planning Team. In reporting on the metrics, a standard format was established. Each one contains a table, description, initiatives, results, and where possible a map.

- *Metric 1: Citywide Greenhouse Gas Emissions* [Page 14]. GHG in 2014 (the most recent year available) were down 7.5% from 2006 levels. Emissions from electricity were 22% lower than in 2006. Although the building stock in Minneapolis grew by almost three thousand buildings and 27 million square feet, electricity consumption declined.
- *Metric 2: Commercial Buildings* [Page 15]. Metric 2.0 measures energy use of all commercial and industrial buildings in the city. Metric 2.1 includes the 429 benchmarked buildings in Minneapolis. They represent 50% of the commercial space in the city and 17% of GHG emissions. The Metric 2.1 average ENERGY STAR score of 74 is well above the national median score of 50. The Pollution Control Agency has provided some grant funding to help buy down the cost of encouraging more buildings to become ENERGY STAR certified. [Metric 2.1 Map; dark lines on maps represent census tracts]

Metric 2.2 shows Xcel and CenterPoint program data together on one sheet [Page 17]. Looking at data from 2014 and 2015 both utilities had great years. Where possible, the Planning Team will backtrack information to use as 2006 Climate Action Plan data so they can track progress from the beginning. Xcel's Commercial Efficiency program works with businesses for long-term projects and is spread primarily through word-of-mouth between universities, hospitals and business campuses. Primary projects that spurred a lot of the energy savings were building and parking ramp lighting, data centers, building controls, and re-commissions. Xcel also had a lot of participation in its regular commercial lighting program. With approval of the Department of Commerce (DOC) it bought down the cost of lights to distributors so they could relay that cost savings to installers. The Energy Design Assistance program is offered by both Xcel and CenterPoint. [Metric 2.2 maps for CenterPoint and Xcel]

- *Metric 3: Residential Buildings* [Page 20]. Tracks residential gas use in Minneapolis, looking at Home Energy Squad (HES), residential weatherization rebates, and low-income programs. Residential gas usage is primarily tied to space and water heating, and electric usage is tied to air conditioning and appliances. In 2015 Xcel offered point-of-sale lighting rebates, refrigerator recycling and HES co-pay discounts. These were communicated via city council newsletters and cross-promotion through social media, but Xcel also attended 19 community events throughout the city. CenterPoint had a successful partnership with the city to promote its low-flow showerhead and faucet aerator program.

- *Metric 4: Renewable Energy* [Page 21]. Xcel offers three programs. Windsource shows cumulative numbers from 2012-2015; annual numbers will be available starting in 2016. Minneapolis customers make up less than 20% of Xcel's total MN customers, but represent 20% of Windsource subscribers. There were no community solar gardens (Metric 4.2) completed and interconnected in 2015 in or adjacent to Minneapolis. By the end of 2016 Xcel expects more than 200 MWs will be online, and up to 400 in 2017. Rooftop new solar interconnections (Metric 4.3) data includes Xcel's Solar*Rewards® (\$25 million over five years) and the DOC's Made in Minnesota Solar Incentive Program (\$15 million over ten years). The number of customers increased from 56 in 2014 to 92 in 2015, which represents a 40% increase. [Metric 4.1 and Metric 4.3 Maps]
- *Metric 5: Home Energy Squad Participation* [Page 24]. Participation during 2015 was up 24% over 2014. Approximately 9% of 1-4 unit residences have received Home Energy Squad (HES) or Community Energy Services (CES) visits since 2009. In 2015 CenterPoint launched a pilot program to encourage customers who received HES visits to move forward with air sealing insulation upgrades. All three partners worked together to promote HES through efforts including advertising, and the City provided funding assistance for low-income customers and zero percent loans for those who wanted to move forward with projects. Of 47 participants, 31 took advantage of the zero percent offer. [Metric 5.0, Metric 5.1 and Metric 5.2 Maps]
- *Metric 6: Low-Income Program Participation* [Page 28]. Both utilities offer a variety of energy efficiency programs aimed at the low-income sector. That includes everything from appliance replacement, weatherization, lighting upgrades, heating system tune-ups and safety checks aimed at 1-to-4 unit and larger buildings, and both renters and owner-occupied properties. Combining utility spending and leveraged federal Weatherization Assistance Program (WAP) funding it results in approximately \$2.2 million invested in Minneapolis in 2015 to deliver energy efficiency upgrades benefitting low-income customers. There is only one year of data available, but the geographic distribution of participation seems to follow the distribution of qualifying households, which means that the dollars are generally going to the parts of the city that have the largest populations that meet program income requirements. [Metric 6 Maps for CenterPoint and Xcel]
- *Metric 7: Air Sealing and Insulation Program Participation*. This program involves rebates for home insulation, which is an important part of making a home as energy efficient as possible. CenterPoint launched a pilot rebate program in Minneapolis through HES in early 2015 that is ongoing through the end of 2016. The purpose was to help customers who had received HES visits to move forward with insulation upgrades, and the conversion rate was increased by 13%. Nearly ten percent of participants took advantage of the City's loan buy-down program. The program has been successful, and CenterPoint will likely expand it to all of its service areas in 2017. [Metric 7 Map]
- *Metric 8: Multi-Family Program Participation in CIP*. This includes many programs offered by CenterPoint and Xcel but not the Multi-Family Building Efficiency (MFBE) Program, which was approved in early 2015 but not launched until October 2015. MFBE is expected to bring an increase in participation in 2016. The cost savings shown are per year, and they are

based on the rate class of the participating customer type (residential or commercial).
[Metric 8 Maps for CenterPoint and Xcel]

- *Next Steps:* The Planning Team will continue to analyze the data and mapping. In 2015 Xcel had 19,600 participants that were Minneapolis customers who received \$5.4 million in rebates, representing 88 GWHs. CenterPoint Energy also had significant participation in its programs within the City. It will be important to track data against the baseline as the Partnership moves forward.

The next step is to bring the Annual Report before the City Council's Health, Energy and Community Engagement Committee [June 6], and it will be presented to all City Council members at a Meeting of the Whole the following week. Nationally many cities and organizations are eager to see it.

If approved by the CEP Board, the community engagement process recommended by EVAC will begin with development of an RFP, data will be used to inform the 2017-2018 Work Plan, EVAC applications will be sought (existing members can reapply), and partnerships and relationships with potential funders will be strengthened.

In closing, Gayle thanked all of the people who were involved in creating the annual report. The ensuing discussion included the following:

- Foundations that fund energy efficiency and/or low income initiatives who may be approached for funding include the Minneapolis Foundation (R.T. Rybak was recently named CEO and President) and McKnight Foundation. This is a new area for Planning Team members so they will need to learn about opportunities and possibilities with foundations, and how to make pitches and tell the story. Foundations like the community aspect so EVAC is an important component. CEP Board members are encouraged to forward their ideas to the Planning Team.
- The fact that the Partnership is the first to report and understand data at the census tract level is fascinating and will be helpful in developing next steps.
- In Metric 3 data for 2015 was not yet available at time of printing. There is a degree of work that needs to be completed in looking at gas and electric data to make sure items are considered and accounting done correctly. The Planning Team is hoping to have that data soon, but perhaps not in time for Monday's City Council Committee meeting.
- As data continues to come in and be analyzed, it will be interesting to see how it drives the work of the Partnership. The various experiences of the Partnership and EVAC members will be helpful in identifying next steps and leveraging communications about the various programs.
- The communications piece—working together on and understanding acronyms and communication barriers among and between the Partners—was a huge effort and very important in setting a great foundation.
- The Annual Report is posted on the Partnership's website, and inquiries are expected. The Partnership is issuing a joint news release on Monday, June 6.

Mayor Hodges asked for a motion to adopt the Annual Report. It was **MOVED** and **SECONDED** that the Annual Report be adopted. Motion **CARRIED**. Mayor Hodges then added her thanks for the work that was done to populate the tables with the good news that progress is being made, and for putting the Report together. The Mayor's office is sending a copy of the Annual Report to Climate Action Champs at the White House as well as staff in the President's office.

5. CEP Community Engagement Pilot Project

In Q1 2016 the CEP Board approved EVAC's Engagement Planning Process, with each of the Partners allocating \$10,000 (for a total of \$30,000) for one to three pilot communities in 2016 and 2017. The template for the engagement process includes five key steps: preparing; learning about the community's opportunities, barriers and challenges before designing outreach; customizing and designing outreach plan(s); implementing plan(s), and evaluating.

Priorities were proposed by EVAC and approved by the CEP Board for selecting communities. They should be communities with significant need, communities from which the partnership can learn the most, and communities that are not being reached by existing engagement methods. EVAC's subcommittee on engagement has met several times over the past three months to identify priorities to use in selecting pilot communities, and creating guidelines and developing language that can be used in the RFP for the pilot. EVAC's recommended priorities, based on census tract, for selecting communities are:

- Geography (North, Northeast, South Minneapolis)
- Race, Ethnicity, and Language (including African, African American, Asian, Latino, Native, as well as communities with limited English proficiency)
- Income (less than 80% of Area Median Income)
- Housing Type (renters, low-income homeowners of color)

The subcommittee on engagement also established criteria in three different areas that the Planning Team can use to score proposals:

- Scope: focus on a particular, explicitly-identified community; be limited enough in scope to be achieved; broad enough in scope to have meaningful results
- Qualifications: ability to engage the targeted community; experience and skills to analyze results and produce recommendations; experience in successfully completing similar projects
- Impact: cost-to-impact ratio (dollars spent per resident engaged); process for collecting data during the engagement; plan to leverage existing programs, agencies, and resources in the work plan

If the CEP Board approves the proposed community engagement pilot, next steps are:

- June/July: Planning Team develops RFP and Memorandum of Understanding (MOU; agreement between three parties that names the City as fiscal agent and specifies that the RFP will be let out by the City)
- August/September: MOU signed by Partners; RFP approved and released
- November: Responses to RFP due; Planning Team vets responses
- December/January: CEP Board approves projects; contracts are signed and work begins

Several questions were asked about the timeline, which some thought looked rather long.

Q: Does the Board need to act on these items, or could the Planning Team proceed without Board action? This might shorten the timeline so it could get going sooner. For the small size of this contract, it is not necessary for the CEP Board to have so many touches.

A: The RFP will take some time to develop. The Q3 2016 Board meeting will be in early September, but if everything is done before that meeting they could get started earlier. The Planning Team agreed that community engagement will be difficult in November and December, so even if the contract is signed in October they would likely wait until January to begin working on the pilot.

Q: Is this the sort of activity that a Minneapolis Foundation grant could be used for? The timing of that relative to this process could be ascertained so we know the full amount of dollars available for the pilot.

A: The Planning Team needs to explore what the Minneapolis Foundation's timeline is and what the dollar amount would be to determine if it is better to start small, then expand based on the learnings of the \$30,000 pilot. Another thing that affects timing of the pilot is that the Planning Team is applying for a Department of Energy Cities-LEAP Grant, seeking a significant amount of funding to help with this engagement.

Comment: It should not be underestimated that weather is a key factor when you are talking about grass-roots outreach. Even if it involves indoor meetings attendance is affected by weather.
Response: Even if the timeline was accelerated it may not be possible to accelerate it to the point where weather would not be a factor. That is part of the expertise we will be seeking from the respondents.

Q: Will we see an update in September? Do we need to decide on whether to begin that process in December or have another touch point before EVAC and the Planning Team can keep going and execute the outreach?

A: Perhaps a subset of the CEP Board can expedite the process without waiting for full Board approval.

Mayor Hodges asked for a motion to approve the proposed RFP language and direct the Planning Team to finalize a Memorandum of Understanding between the Partners and release the RFP. It was MOVED and SECONDED that the proposed RFP language be approved and the Planning Team directed to finalize an MOU between the Partners and release the RFP. Mayor Hodges asked if there was any discussion, and one last question emerged about the type of companies that are in this work and might respond to the RFP. The answer was that a lot of community-based organizations do this work; they know the communities and will receive technical assistance from the Planning Team and EVAC. Motion CARRIED.

6. 2017-2018 EVAC Application Process and Timeline

The first EVAC members are coming to the end of their two-year term. With the CEP Board's approval the EVAC application period will reopen on August 1 and close on September 15. Each term is for two years and current applicants must reapply; they are not automatically reappointed. The Planning Team will submit recommendations via email to the Board for approval. New EVAC members will be identified before the Q4 2016 CEP and EVAC meetings in November so they can attend those meeting and observe if they wish. Lessons learned from the first round will

be incorporated in this process. Getting the word out is important, and there were some gender representation issues that will be addressed.

Mayor Hodges asked for a motion to direct the Planning Team to open the EVAC application process on August 1 for a period ending September 15 and to direct the Planning Team to recommend a list of applicants to the Board for approval. It was MOVED and SECONDED that the Planning Team be directed to open the EVAC application process on August 1 for a period ending September 15, and directing the Planning Team to recommend a list of applicants to the Board for approval. Motion CARRIED.

7. 2017-2018 Work Plan Process

The current Work Plan is a foundational piece. The Planning Team will spend time over the next few months determining how much of the current work plan can remain or be edited, what needs to be added, and what areas might have been too ambitious and may need to be scaled back. In the rest of Q2 and Q3 2016 the Planning Team will be looking for ideas from the CEP Board. Both utilities recently filed new tri-annual plans for their energy efficiency programs and they will be looking for opportunities to enhance the work plan to reflect the offerings in those plans. EVAC is planning to have a meeting to discuss Work Plan ideas for consideration, possibly with the assistance of a professional facilitator to help guide and direct their discussion. The proposed 2017-2018 Work Plan will be brought before the CEP Board for review and final approval in Q4 2016. The Q3 2016 CEP Board meeting will be held on Friday, September 16; the date for the Q4 2016 CEP Board meeting is not yet known.

8. Announcements

- Mayor Hodges: This is the first CEP Board meeting since the accidental death of EVAC member Kirk Washington. Kirk, a local artist and remarkable person, and it's important to acknowledge him and the great work he did on EVAC and in the community. He wrote a stanza for [One Minneapolis: A City in Verse](#), which was recited at Mayor Hodges' inauguration in 2014.
- Mayor Hodges: Minneapolis was selected to be in the final cohort that rounded out the Rockefeller Foundation's [100 Resilient Cities](#) program, one of the full 100 complement of cities from around the world. There were more than 325 applications for the final 37 available slots. The Partnership's work helped make that happen, and Mayor Hodges offered special thanks to Stephanie Zawistowski and Gayle Prest. Gayle added that this honor comes with resources.
- Gayle Prest: An application will soon be submitted by the Partnership for a half million dollar grant from Cities Leading through Energy Analysis and Planning (Cities-LEAP). Cities-LEAP is interested in data, so the Partnership's proposal is a data-driven and community engagement process. It's taking the Report, diving deeper into the data, and figuring out how we can do a better job of engaging residents and businesses on energy conservation and renewable energy programs. Being a Climate Action Champion gives us a few extra points. A determination is expected to be made by this Fall.
- Spencer Cronk: As the Annual Report becomes more public, are there any other audiences we want to proactively distribute the report to besides the White House and others already mentioned? Would sending it to the PUC be a formal submission? Gayle responded that sending it to the PUC was a great idea as they have always been

interested in the Partnership. Other organizations it could be sent to include the Urban Sustainability Directors Network, Carbon Neutral Cities Alliance, the Department of Commerce, Senator Al Franken and other elected officials.

- Gayle Prest: Minneapolis is again contracting with CEE to offer free HES visits like those done last year that were very successful. The City will also again offer zero percent financing to those who are income-qualified. One thing the City has learned from CenterPoint and Xcel is that there is a gap between people that may not be qualified for some low-income assistance programs but they are still struggling with their energy bills and they lack the opportunity to get assistance, so they are trying to reach that group. The contract is being finalized and a news release will soon be released, but the Partnership would appreciate help promoting this program. The triennial plans filed by Xcel and CenterPoint both consider this program in the long-term. Nick Mark added that Xcel has done a similar program in parts of its territory; they have determined that it makes sense that it be consistently applied across all of its customers.
- Bridget Dockter: Both utilities filed their triennial regulatory (three year energy efficiency) plans with the Department of Commerce on June 1. She offered the following numbers contained in Xcel's three year plan, 2017-2019: Total investment of \$341 million, gas and electric; 1300 GWHs; 270 MGWs; 2.2 million dekatherms. On the electric side, about \$95 million in electric funds are available in the entire service territory. Nick added that there is an extensive regulatory review process which includes public comments. A final decision is anticipated in the fourth quarter of 2016.
- Nick Mark: CenterPoint's triennial plan shows an increase in its goal consistent with what they have been proposing in previous years, averaging an 8% annual increase in goals, going from about 1.6 billion cubic feet of gas saved in 2017 up to 1.8 billion cubic feet. This represents savings equivalent to 1.19% of sales in the first year, increasing to 1.29% of sales by 2019. CenterPoint is also planning enhancements to existing offerings, consolidating some of them to make them more easily accessible. They believe that trying to drive participation by increasing rebate amounts is not the wisest stewardship of funds. Instead they are focusing on ways to make the programs more accessible and easier to use, resulting in the same level of energy savings at a dramatically lower cost.
- Brad Tutunjian: As someone who recently came into this process, he is very impressed with this program. Having worked with many cities in many different states he has never seen a partnership of this level. His observation is that this first Annual Report forms the fundamental building blocks of the foundation. He is looking forward to the opportunities that will be presented in next steps, with more programs. As new laws and regulations develop, the CEP Board could partner with the City when it comes to making energy policies.

The meeting was adjourned at 11:31 a.m.

*This constitutes my understanding of items discussed and decisions reached.
If there are any omissions or discrepancies, please notify the author in writing.*

Submitted by:

Marsha Wagner, CastleVisions

marsha@castlevisions.com