

**Minneapolis Clean Energy Partnership
CEP BOARD MEETING**

Doty Board Room, Minneapolis Central Library

Tuesday, July 25, 2017

11:30 a.m. – 1:30 p.m.

2017 Q3 Meeting Notes

Board members present: Mayor Betsy Hodges, Council Vice President Elizabeth Glidden, Council Member Kevin Reich, Spencer Cronk, Adam Pyles and Christe Singleton (sitting in for Brad Tutunjian) from CenterPoint Energy, Laura McCarten and Lee Gabler from Xcel Energy

Board members excused: Brad Tutunjian

Planning Team present: Sara Barrow, Bridget Dockter, Peter Ebnet, Robin Garwood, Luke Hollenkamp, Louis Mondale, Kelly Muellman, Audrey Partridge, Halston Sleets, Brady Steigauf, Al Swintek

Guests/Staff present: Timothy DenHerder-Thomas, Abby Finis, Matt Kazinka, Nick Mark, Patty O’Keefe, Mark Ruff, Lee Samelson, Shane Stennes, Brian Millberg

1. Welcome and Introductions

Mayor Betsy Hodges called the meeting to order at 11:35 a.m. Mayor Hodges invited Clean Energy Partnership (CEP) Board Members, staff and guests to introduce themselves.

2. Review and Approve Agenda and Minutes

Mayor Hodges made a motion that Agenda Item 5 be moved to follow Item 2, and asked for a motion to approve the agenda as amended. It was **MOVED** and **SECONDED** that the amended agenda be approved. Motion **CARRIED**. Mayor Hodges asked for a motion to approve the minutes from the 2017 Q2 CEP Board Meeting. It was **MOVED** and **SECONDED** that the minutes be approved. Motion **CARRIED**.

3. Partnership Funding Discussion

EVAC Funding Work Group Presentation

Matt Kazinka, EVAC Co-Chair and EVAC Funding Work Group Member, said that six EVAC members (John, Timothy, Patty, Billy, Julia and Matt) were supported by three Planning Team members (Bridget, Audrey and Luke), with additional consultation from mayoral and council member staff. The Funding Work Group (FWG) held nine early morning meetings from December 2016 to July 2017. Their work culminated in 33 pages of findings and recommendations as contained in the report. At its Q2 meeting (July 11) EVAC voted to approve the Funding Work Group’s proposed motion, as follows:

The Energy Vision Advisory Committee recommends that the Clean Energy Partnership Board support the City of Minneapolis in meeting the goals of the Climate Action Plan and Energy Vision by supporting the City in amending the ordinances that set franchise fee rates with CenterPoint Energy and Xcel Energy

to increase the franchise fee rates by 0.5% in each customer class. This revenue shall be dedicated to the Clean Energy Partnership to facilitate equitable access to energy efficiency, renewable energy, and workforce development in the energy sector for all residents and businesses in Minneapolis regardless of race, socioeconomic status, or property ownership status.

FWG was started to explore increased funding for energy efficiency and renewable energy across the City for the following reasons:

- Energy savings potential. CEP can help more residents and businesses save money on energy and use it instead to invest in their homes and businesses. FWG drew upon two national studies—conducted by the American Council for an Energy Efficient Economy (ACEEE) and the Rocky Mountain Institute—that showed significant potential for energy efficiency savings ranging from 38 to 75 percent, which translates into energy cost savings between \$217 and \$427 million. A third study by the State of Minnesota, conducted in 1988, showed a similar range. A Minnesota statewide efficiency potential study, being conducted by the Minnesota Department of Commerce - Division of Energy Resources, is underway and will be completed by the end of 2018.
- Ambitious Goals. In its Climate Action Plan (CAP) and Energy Vision (EV), Minneapolis has goals including reduction of greenhouse gas emissions by 30 percent by 2025 and 80 percent by 2050. It wants to reduce energy use by 17 percent by 2025 and reach an electricity supply that is almost carbon emission free by 2040, in an environment where race, ethnicity, income and age will no longer be indicators for who bears pollution impacts or receives economic or environmental benefits. In order to reach 75 percent of single- and multi-family households with whole-house energy efficiency retrofit services by 2025 efforts have to be increased significantly.
- Equity. There is a disproportionately higher cost burden for low-income, non-white residents, both homeowners and renters. This is relevant for residents and businesses.
- Leveraging CIP Investment. In 2016 more than \$22 million from CIP funds were invested in Minneapolis buildings, \$15.7 million by Xcel Energy and \$7.1 Million by CenterPoint Energy. With minimal additional investment many more dollars can be leveraged.
- Cities Taking Leadership. With changes being made on the federal level cities are the new battleground for climate change. FWG wants Minneapolis to be on the front lines.

The FWG recommends increasing the franchise fee by 0.5 percentage points for each of the three customer classes: residential (from 4.5 to 5.0 percent), commercial (from 5.0 to 5.5 percent), and industrial (from 3.0 to 3.5 percent). The franchise fee is a funding source that is sustainable, scalable and it is under full control of the City, unlike grant applications. The FWG wants the benefits to be shared by all customer classes so they believe the cost should be shared by all of them. In an average year, based on the past four years of data in Minneapolis, an estimated \$2.89 million in new revenue would be generated by increasing the franchise fee. Under the City's proportional fee rate structure residential customers would pay \$5.90, an additional 60 cents per month, which remains lower than franchise fees in other nearby cities that have flat monthly fee structures.

For commercial customers, the amount paid varies greatly depending on the type of business so it is difficult to determine a representative average. Currently an average commercial customer is

paying a monthly franchise fee of \$72.81; the incremental increase would increase a payment to \$80.10. Many commercial customers will be paying much less or much more than this, i.e. a large grocery store that has lighting and refrigeration will pay more.

Numbers for the industrial rate class—not businesses zoned industrial, but the highest users of energy (gas and electric)—are skewed because Xcel Energy has more than 1,000 customers in this class while CenterPoint Energy has fewer than 50 so their average bills are much higher. The incremental increase to the average industrial customer would be \$193 per month, increasing their monthly fee to \$1,353.

Matt presented some of the proposed activities that the FWG believes address the barriers in the residential sector:

- Expand and build upon the lessons learned from the Community Engagement Pilot Project
- Partner with local community-based organizations to expand outreach, engagement, education, and program sign-ups
- Partner with program implementers to strategically subsidize whole-home energy assessments (i.e., Home Energy Squad visits)
- Target low-income and hard-to-reach customers
- Pair up with incentives and other methods to increase program conversation rates
- Study and implement methods to improve accessibility of existing financial tools
- Pilot, where appropriate, new tools for financing (i.e. on-bill financing models)
- Expand benchmarking to multifamily buildings
- Preserve existing unsubsidized affordable housing. Energy efficiency programs can be a key tool for maintaining housing affordability; EVAC's Multifamily Work Group is developing recommendations.

On the commercial side, the FWG wants to fund city-wide small business engagement to ensure that small businesses particularly learn about and participate in efficiency programs.

- CPED has several programs to engage small businesses that could serve as a model for a city-wide engagement program. EVAC's Small Business Work Group is developing recommendations for how to do this.
- The City's Green Business Cost Share Program has had significant impacts on businesses in terms of reducing air pollutants and it is beginning to be used for energy efficiency. City funding for this program has leveraged private investment at a rate of six-to-one.
- The programs in the Benchmarking program represent 70 percent of all commercial building space in the City. Additional training and technical resources can be targeted towards buildings with high energy savings potential.
- Utility efficiency studies (such as Xcel Energy's TurnKey program) help businesses with complex systems uncover the best opportunities. CEP can strategically subsidize the upfront cost of these studies, especially for medium sized businesses with limited resources.

CEP Board members thanked Matt for the excellent presentation and thorough work of the FWG and Planning Team. In the discussion following Matt's presentation, the following points were addressed:

- Adam Pyles: CenterPoint Energy's franchise fee collections fluctuate primarily due to seasonal weather needs. The City budget for this dedicated funding should be flexible in its

commitments to accommodate that fluctuation. Mayor Hodges added that the City has mechanisms like contingency funds and taxes it can use for circumstances like this.

- CM Reich: With affordable housing stock, it becomes a challenge to keep it affordable after an investment is made because the property is then more desirable on the market and rent may increase. EVAC's Multifamily Housing Work Group is discussing additional incentives for participation, such as changes in the regulatory process or agreements about rent. Legal advice or levers may be needed to maintain affordable rents on multifamily housing and ensure a return on the energy investment without creating a negative result in terms of affordable properties.
- Laura McCarten: While Xcel Energy takes a neutral position about raising franchise fees, they can support some of the recommendations for spending the increased funds to leverage existing programs.
- Matt Kazinka, responding to request for clarification by CM Glidden: In an iterative process of determining what activities the FWG wanted to fund and the amount of additional funding needed to accomplish that, they proposed a 0.5 percentage point increase across all three customer classes. The exact percentage numbers would be determined by the Minneapolis City Council after further discussion and identification of a good plan and best ways for spending the dedicated funds to reach the Partnership's energy goals. EVAC will work with Partnership staff and contribute to the discussion as needed.
- Luke Hollenkamp and Bridget Dockter, responding to request for clarification by CM Glidden: Partnership staff will work together on analysis in the near future to study ways that additional funds could be spent to maximize impact. One possible avenue is the Community Engagement Pilot projects; EVAC received interim reports at its Q2 meeting. When those pilots are complete at the end of 2017 the Planning Team will be able to use the findings to identify ways to efficiently serve the targeted population. Once more data is available the Planning Team and Partnership can take deeper dives into high-impact programs—like Home Energy Squad (HES) visits for residential customers, and the Green Cost Share and Small Business Refrigeration programs for commercial customers—analyzing the cost-benefit ratio and finding ways to leverage funding.
- CM Glidden: The return on residential HES visits is low, with few people investing in capital projects to improve energy efficiency, so it will be important to maximize that funding for better results.
- Mayor Hodges: To meet the goals of CEP and CAP a significant and reliable source of funding is needed. If the franchise fee is increased it would make the most sense in the early years to invest in programs like Green Business Cost Share because it has already had good outcomes.

Mayor Hodges noted and expressed appreciation for the joint effort from all partners—Xcel Energy, CenterPoint Energy and the City—to support the need for funding and ensure that interests of all partners are represented. Mayor Hodges made a motion for discussion on the following item:

The Board has received the report, *Funding the Minneapolis Clean Energy Partnership: Recommendations from the Energy Vision Advisory Committee (EVAC)*. The report states that additional, dedicated, long-term funding is necessary in order to achieve the goals of the Clean Energy Partnership.

Increased utility program funding is possible, subject to State regulatory restrictions; however, utility programs alone cannot be targeted exclusively to Minneapolis residents and businesses or fully meet the greenhouse gas emissions reductions and equity goals of the Clean Energy Partnership.

The Clean Energy Partnership Board supports additional, dedicated City funding for new and existing programs to increase energy efficiency and renewable energy investments with a specific focus on equity and greenhouse gas emissions reductions.

It was **MOVED** and **SECONDED** that the item be approved for discussion.

CM Reich stated that much work needs to be done on the specifics and creating deliverables but this outcome-driven set of statements provides a good compass and meets the requests of EVAC. Adam Pyles said that CenterPoint Energy sees this as a helpful and necessary next step to move the work of CEP forward. Laura McCarten said that Xcel Energy supports the motion. She added that the tools are at hand to start with current programs and then build on the next round of investments and projects. CenterPoint Energy and Xcel Energy will work together to help the City achieve its goals.

Seeing no further discussion, Mayor Hodges referenced the motion on the table in support of increased, dedicated funding for the Partnership. It was **MOVED** and **SECONDED** that the motion be approved.

Mayor Hodges briefly explained the steps for increasing the franchise fee. A change in city ordinance is required, which involves introduction, discussion, hearings, and vote of the City Council. Feedback from the Community Engagement Pilot project and recommendations on ways to increase equitable participation in utility energy efficiency programs will be a rich source of data in determining how to be most effective with funding on hand, especially focusing on engaging neighborhoods.

4. 2016 Annual Report Presentation [\[link\]](#)

Luke Hollenkamp said that rather than produce a large printed volume like they did last year, which took a lot of time and effort to create, the report is now web-based. This makes it more accessible, increases usability, reduces printing, and it is easier to update. It also contains direct links to programs and resources that were referenced in the report.

Luke mentioned several highlights in the report for each of the Partners:

- City of Minneapolis: 17.4 percent decrease in GHG emissions since 2006, meeting 2015 goal; Piloted Green Business Cost Share Program pilot leveraged \$43k for \$400k in energy efficiency work, reducing 2.6 million pounds of CO₂
- Xcel Energy; Energy Efficiency Programs: \$15.7 million in program investment in Minneapolis; 7,600 participants, 78,008,624 kWh saved; \$7.8 million annual customer bill savings

- CenterPoint Energy; Energy Efficiency Programs: \$7 million in program investment in Minneapolis; 30,000 participants, 627,350 dekatherms saved; \$2.8 million annual customer bill savings

The report provides eight sections (metrics) identified by the CEP Board as critical areas of measurement in tracking progress toward Partnership goals. Highlights by metric include:

- Metric 1 – Citywide Greenhouse Gas Emissions: Both natural gas and electricity consumption and emissions decreased. This was due in part to winter months of 2015 being warmer than in 2014, and despite the summer of 2015 being slightly warmer than 2014. Citywide GHG emissions decreased 17.8 percent in 2015 compared to the 2006 baseline, exceeding reduction goal of 15 percent by 2015. Emissions from electricity are the largest share; this is expected to be eclipsed by natural gas in the coming years. Almost 75 percent of GHG emissions are from electricity and natural gas consumption, and 25 percent are from on-road transportation.
- Metrics 2.0 and 2.1 – Commercial Building Energy Use: Electricity consumption decreased 0.2 percent and natural gas consumption decreased 6.2 percent. Benchmarking has been fully implemented and there are now 417 buildings benchmarked in 2015 data. The Partnership is finding ways to target those benchmarked buildings, offering them resources to understand the energy data as well as the tools to act upon energy efficiency improvements. Average building energy use intensity has decreased, but it has actually increased when accounting for weather fluctuations. The caveat is that there are only a few years of data available, and they are ensuring that the data is robust and accurate.
- Metric 2.2 – Commercial Utility EE Program Utilization: Cost savings to businesses in Minneapolis increased by \$4.45 million in 2016 over 2015. That means the energy efficiency improvements made by businesses in 2016 will save them \$10.35 million over the life of those measures. Rebate dollars increased 100 percent from 2015 to 2016. The utilities’ joint commercial program, Energy Design Assistance for new construction, showed some great progress. On the electric side there was a 154 percent increase in kWh saved and a 375 percent increase in therms saved for a total of \$2.4 million in customer rebates. With Xcel Energy’s commercial utility energy efficiency program—working with commercial customers to do long-term phased-in complete process improvements where the customer receives a bonus as an incentive to doing the improvements within a certain time frame—energy savings increased 50 percent over 2015. Both its custom efficiency and re-commissioning programs increased 100 percent of energy savings over 2015. CenterPoint Energy also had a successful year, with its best performing programs being the re-commissioning, Energy Design Assistance and engineering assistance programs. All of these programs hit 200 percent of goal participation statewide.
- Metric 3 – Residential Building Energy Use: Electric use increased by 2.6 percent in 2016 with a 2.2 percent increase in customers, much of it due to new construction. Energy efficiency programs helped manage some of that. Natural gas use dropped 7.9 percent in 2016, which was a warmer than average year (12 percent warmer than the ten year average); this helped control some of that usage along with energy efficiency programs. An example of a residential program that helped contribute to overall savings is Xcel Energy’s residential air conditioning program (increased by 150 participants to more than 1100 participants and a 9 percent energy savings increase) and its Smart Thermostat program which began at the end of 2015 with two participants; at the end of 2016 there were 676 participants. CenterPoint

Energy's residential heating rebate program had almost 2,000 participants, saving nearly 330,000 therms.

- Metric 4 – Renewable Energy: Windsource program participants increased as the megawatt hours decreased, which was due to a couple of very large customers dropping out of the program in 2016. The first Community Solar Gardens came online in 2016 with five gardens, three megawatts and 95 customers that started receiving bill credits. To date in 2017, statewide numbers show 100 megawatts and thirty projects with approximately 2,500 subscribers. Minneapolis residents can access a large number of these programs but specific numbers are not currently available. The Solar*Rewards program saw an increase as gardens came online. The rollout of the Renewable*Connect program and more community solar gardens will be coming online in 2017.
- Metric 5 – Home Energy Squad Participation: HES is a residential energy efficiency program jointly operated by Xcel Energy and CenterPoint Energy and is delivered by the Center for Energy and Environment (CEE). It offers low-cost direct install energy efficiency measures at in-home visits along with a home assessment to renters and homeowners. The HES program— just one of many residential programs offered by the utilities—was selected as a key measure of the overall CAP goal to have 75 percent of Minneapolis homeowners and renters receive an energy retrofit of their home by 2025. From 2015 to 2016 there was a 30 percent decrease in participation in the HES project, due in large part to a decrease in multifamily building participation as they took advantage of a specific, more comprehensive program called the Multifamily Building Efficiency Project, again jointly offered by Xcel Energy and CenterPoint Energy. Approximately 10 percent of one-to-four unit residents participated in HES visits between 2009 and 2016, and they achieved a 10 percent decrease in their energy use. In 2016 CenterPoint Energy and CEE partnered to provide a residential engagement pilot offering special services that included additional education and assistance finding, selecting and scheduling a contractor for air sealing and insulation work. The pilot project was hugely successful, raising the conversion rate from 4.4 percent for those who did not receive additional assistance, to 14.9 percent for those involved in the pilot. Due to the success of this pilot, CenterPoint Energy has now rolled those services out as a permanent offering for HES. Also, 32 residents received zero-interest loans for air sealing and insulation upgrades through the City/CEE loan offering program.
- Metric 6 – Low-Income Services: In 2016 almost 1,800 residents of Minneapolis who were eligible for low-income services received energy efficiency services, saving them more than \$86,000 on utility bills. Xcel Energy saw a significant increase in overall participation in low-income programs due in large part to its Home Energy Savings Program. In 2016 the new vendor running that program made a concerted effort to increase participation. CenterPoint Energy saw a decrease in participation in 2016, attributable in large part to customers moving from the low-income multi-family rebate project into the multi-family building efficiency project which is a joint offering that is more comprehensive and offers incentives of up to 80 percent of project cost for low-income buildings.
- Metric 7 – Air Sealing and Insulation Program Participation: Air sealing and insulation is one of the most effective energy-savings projects that can be done in a home. CenterPoint Energy offers rebates for air sealing, attic and wall insulation through its Residential Weatherization program which in 2016 provided \$130,000 in rebates to 277 homes. Energy savings for these types of upgrades are particularly large for older homes that may have little or no insulation in their attics and walls.

- **Metric 8 – Multi-Family Program Participation in CIP:** The multi-family sector is the particular focus of the CAP and CEP. The City’s CAP has a goal to help 75 percent of Minneapolis renters and rental property owners participate in energy efficiency retrofit programs by 2025. In 2015 CenterPoint Energy and Xcel Energy launched the joint Multi-Family Building Efficiency program which offers comprehensive one-stop-shop energy efficiency services to multi-family buildings; 2016 was the first full year for that program. During 2016, 29 buildings in Minneapolis had complete energy audits and 23 of those moved forward with energy efficiency improvements. Also in 2016 both CenterPoint Energy and Xcel Energy saw significant increase in energy savings and rebate spending for the multi-family sector. Much of that was driven by participation in the Energy Design Assistance program for new construction and major renovations.
- **Demographic Maps:** Demographic and socio-economic maps were previously developed to help EVAC’s Engagement Subcommittee and to ensure Partnership work advances equity. The City developed an interactive Minneapolis Population Characteristics and Environmental Indicators Map [[link](#)] that includes all previous indicators as well as new indicators to measure gentrification risk, vegetation levels, industrial activities and contaminated soils, housing quality and affordability, food accessibility, and air quality.

Adam thanked the Planning Team members for their efforts in pulling the data together to create the report. It shows how the programs have evolved and how the Partnership is adapting, which is something the Partnership should remember in looking at the metrics over time and understanding that these are not static programs and there are several pieces that are moving. Laura asked when the CEP Board would receive the Annual Report in 2017. Bridget responded that now that the website has been created the Report could be pulled together rather quickly; however, the utilities will not have their year-end data complete until status reports are sent to the Department of Commerce, which is April 1 for Xcel Energy and May 1 for CenterPoint Energy.

If any CEP Board members have feedback or suggestions for improvements on the current format, or additional questions about the 2016 Annual Report, they are invited to contact any member of the Planning Team. They can also attend the presentation that is scheduled for the Health, Environment & Community Engagement Committee meeting on August 21.

5. Quarterly Update from EVAC Co-Chairs

Abby Finis, EVAC Co-Chair, reported that EVAC held its Q2 meeting on July 11. One change in the group is the departure of Cameran Bailey, who has resigned from EVAC due to time constraints. He recently accepted a position as SolSmart Solar Advisor to the Metropolitan Council.

In Q2 EVAC focused a lot of time and energy on the Funding Work Group, which was presented previously in this meeting. The other main topics at EVAC’s Q2 meeting were updates on the two Community Engagement Pilot Projects.

- **Minneapolis Renters Coalition (Nokomis East Neighborhood Association’s (NENA) Bossen neighborhood, Corcoran and Holland neighborhoods).** Becky Timm, Executive Director of NENA, said these neighborhoods have different housing stock for multi-family tenants. There are a number of duplexes and triplexes in Holland and Corcoran, whereas Bossen has

larger multi-tenant buildings. They conducted surveys of tenants and landlords, going door-to-door, and sponsored or attended events, which were a much more successful way to reach more people. They gave away LED lights as an ice-breaker to begin discussions about energy. The surveys were entered into online data platforms for analysis. They found that landlords were receptive to the surveys and interested in learning more, especially in NENA where they had existing relationships with landlords and property managers. Residents already practice a number of energy-saving measures, like turning off lights or unplugging appliances, more because it is common sense or there are safety concerns than for saving energy or money. Most respondents were not familiar with HES visits.

- Neighborhood Hub (Folwell and Jordan neighborhoods). The objective of NH's project is to identify barriers to participation in utility energy efficiency programs for residents (renters and homeowners). As of the end of May they had completed 130 surveys and conducted a number of one-on-one interviews with residents. They found similar feedback where residents are not aware of the energy efficiency programs offered by CenterPoint Energy and Xcel Energy or the criteria and eligibility requirements for them. Some of the suggested strategies include focusing on community education, using more social media and popular radio programming, and using a train-the-trainer model to train a diverse pool of residents who can then educate others in their neighborhood about programs. Another specific opportunity would be to provide a class for first-time home buyers that would include a segment on utility programs that could be used when making home improvements.

EVAC members were surveyed about what they thought worked and did not work, what they liked and did not like, and what they would like to see moving forward for this group and future meetings to make them more productive in working toward the goals of the CEP and CAP. One suggestion was to take advantage of the gathering a collection of energy professionals and experts on EVAC and invite residents to attend meetings to offer feedback on the impact of what the Partnership is doing.

EVAC Work Groups provided updates. The Workforce Development Work Group, with representation from EVAC members and other workforce development professionals as well as the Planning Team from CenterPoint Energy and Xcel Energy, has scheduled its first meeting on July 31. At this meeting they will formalize and firm up the work group and goals. The Multi-Family Work Group met to define their goals and develop a timeline for progress. They are currently reviewing research that has been ongoing over the past 18 months around multi-family benchmarking.

6. Announcements / Open Discussion

- *Renewable*Connect Agreement for City Enterprise*
CM Glidden said this is an action that went through the City's Health, Environment & Community Engagement Committee chaired by CM Gordon. It authorizes a new agreement with Xcel Energy to participate in its Renewable*Connect Program to purchase up to 17.8 million kWh of renewable electricity annually. Of this total, 14 million kWh will be purchased by the Convention Center and 3.8 million kWh will be purchased by the Water Treatment Plant. Finance & Property Services staff have also been directed to seek up to an additional 50 million kWh per year when sufficient renewable energy is made available for purchase from Xcel Energy.

- *Staff Directions Regarding Options for 100% Renewable Sources for City's Electricity Usage*

CM Glidden reported that a growing number of cities and mayors are signing on to big goals of 100 percent renewable for their cities. This is a first step for the City of Minneapolis to gather some data that will help with this goal. Phase 1 involves analyzing current and projected electricity usage over the next 10 years and identifying options for obtaining renewable energy. Phase 2 is to get a forecast from Xcel Energy through the Partnership regarding ability to provide renewable resources with RECs. Analysis will also include financial, budgetary, climate impacts and considerations. An update may be provided at the CEP Board's Q4 meeting.

- *Xcel Energy's Small Business Refrigeration Pilot Initiative Update*

Bridget Dockter said that larger grocery stores were added to the target group of grocery and convenience stores to help with overall cost effectiveness. The RFP will be going out by the end of July, and the Department of Commerce filing will take place in September. There is typically a 90 day turnaround on regulatory filings so rollout will begin in early 2018. With this pilot they will leverage the Green Business Cost Share Program. Once the winning bidder has been determined they will start meeting with Patrick Hanlon and his team to develop specifics on how they can work together. Xcel Energy has met with the EVAC Small Business Work Group twice as well as City staff to discuss details and work through concerns about the pilot. The EVAC Small Business Work Group supports this project, and EVAC would like to develop a citywide small business program with contracted community engagement agencies.

CM Glidden interjected that she would like a discussion among the Partners about developing minimum Work Plan activity item requirements or criteria and process points that the Partners can agree on in order to get proposals to the group discussion point and minimize the amount of group time. It would be helpful to have this process in place by the time the next Work Plan is created. Planning Team members said it has been discussed at their meetings but with the Q4 meeting just two months away they weren't sure there was enough time to flesh that out; they will provide an update to the Board at that time. Adam added that Board members could provide input to the Planning Team about what the process criteria might look like.

In the continuing discussion about process, CM Glidden said that it will be important to determine an inclusion threshold for how specific a proposal to the City or an initiative that has been proposed as part of the CAP or Work Plan must be. There are good programs happening; not everything goes into CEP's Work Plan but those programs could be acknowledged and used to leverage CEP's work. Spencer Cronk thanked CM Glidden for raising this issue. He added that CEP is still in start-up mode so as the group is learning these lessons and gaining a better understanding about what the criteria is to identify if something is a Work Plan item, they can then amend the Work Plan during the course of the year.

- *Commercial Building Benchmarking Workshops Recap*
Bridget reported that good progress has been made this year on this initiative that relates to Work Plan Items 14 and 15. All Partners were involved at meetings held with Minneapolis Public Schools on May 17 where they were provided with a list of buildings within the system that scored less than 50 on their Energy Star rating scores. The schools currently are fairly active within the conservation and energy efficiency programs. Their biggest challenge is finding steady funding to determine where energy savings opportunities lie, so this might be an opportunity where funding could be used if the franchise fee increase moves forward. Audrey commented that Minneapolis Public Schools are incredibly knowledgeable about their buildings' energy use. They are eager to participate in utility conservation programs and hopefully in the future with the CEP.

For office buildings, a full workshop was held at Xcel Energy on July 11th which was attended by 23 customers, most sending more than one representative. All Partners attended this meeting as well, including City benchmarking staff, utility account managers, and Planning Team members. The customers consisted of building managers and operators, and included Wells Fargo, McGough, Ryan Companies, Cushman Wakefield, 614 Company, Metro Transit, Hennepin County, and others. The City spoke about benchmarking, how it is useful, and why it was put into place. The utilities spoke about their commercial program offerings and how to use Xcel Energy's benchmarking data aggregation tool. Time was provided for Q&A, and tables were set up and staffed for additional questions and discussion after the meeting. It was held over the lunch hour so it would not cut into the workday; lunch was provided. It took six to seven months to plan this workshop, and it will be used as a model for future workshops. Initial feedback was very positive from attendees and the Partners. Next steps are to continue to follow up with these organizations and monitor progress on their projects.

The hotels workshop will be a smaller version of the office buildings workshop because there are fewer hotels. That workshop will be held in September or October. The same workshop plan used for office buildings will be used for hotels, tailored specifically to measures that can be implemented in hotels. The Planning Team will consider doing workshops for other sectors after they have analyzed the outcomes and conducted follow-up for these first three meetings.

- *Xcel Energy's Low Income Community Solar Garden Initiative Update*
Laura McCarten said Xcel Energy is assessing the potential to extend the scope of the project from one to three community solar gardens with an existing entity that received a Renewable Development Fund (RDF) grant, and do that in a way that fits within the parameters and guidelines of the Public Utilities Commission and projects that get RDF grants. Xcel Energy is facilitating discussions with City staff and the project grantee to determine what it would take on both sides to make it happen. An update will be provided at the Q4 CEP Board meeting.
- *Xcel Energy's 1,550 MW Wind Approval*
On July 6 the Minnesota Public Utilities Commissions approved Xcel Energy's plan to add 1,550 MW of wind to its system. The goal is to have all of the projects operating by the end

of 2020. As a result the amount of wind on Xcel Energy's system will approximately double, and customers will save about \$4 billion over the lifetime of the projects. With this energy mix Xcel Energy expects to be two-thirds carbon free by 2021.

- Spencer said it was noted at a previous meeting that Minneapolis has been selected by the Rockefeller Foundation as one of 100 Resilient Cities. Recently the City hired its first chief resilience officer, Kate Knuth, who comes highly recommended from the University of Minnesota and is a former state representative. Kate will be invited to attend the Q4 CEP Board meeting to provide a brief overview of that work.

7. Next Meeting

The next CEP Board meeting will be held October 5 from 3:30 to 5:30 pm at Xcel Energy, 401 Nicollet Mall, Bay 4.

The meeting was adjourned at 1:28 p.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