



**Clean Energy Partnership
Q4 EVAC Meeting
November 30, 2017**



CITY OF MINNEAPOLIS

Franchise Fee Increase and the 2018 Budget

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Current Status of the franchise fee increase and the budget

The Mayor's proposed 2018 budget accounts for a 0.5% increase to the utility franchise fee. Assuming that the ordinance change will be adopted and collection will begin in Spring 2018

~\$2.2M is expected to be collected in the initial year of the increase.

- ~\$2.8M expected in 2019 and beyond

Current Status of the franchise fee increase and the budget

- \$272,000 to the Green Business Cost Share Program, this will now be ongoing funding.
- \$74,000 to initiate a multifamily building energy benchmarking program (Health Dept)
- \$190,000 to support the Clean Energy Partnership, Green Zone initiative, Homegrown Minneapolis initiative, and other Sustainability office programming, this will now be ongoing funding.
- Approximately \$300,000 to support current staff levels in the City's Sustainability office

Current Status of the franchise fee increase and the budget

- \$1,364,000 – the budget set aside for CEP recommendations to the City for use of those funds.
 - The budget currently assumes \$375,000 of that would offset the ongoing annual cost associated with the City's contract with Xcel Energy for Renewable Connect.
- Therefore, we estimate approximately \$1.0M-\$1.2M in 2018, dependent on how the City funds RC.
 - 2019 and beyond depends on future RC contracts

Discussion for EVAC

~\$1.0M - \$1.2M

- What ratio does EVAC support for:
policy development, staffing, and admin
versus
programs, outreach/engagement, and
incentives?



Next Steps

- **December 4th** is the Public Hearing for the Franchise Fee Increase
- **December 6th** is the 2018 budget adoption
- **December 8th** is the vote to adopt the ordinance change