Clean Energy Partnership
Q4 EVAC Meeting
November 30, 2017
CITY OF MINNEAPOLIS

Franchise Fee Increase and the 2018 Budget

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December 1, 2017
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 4**\(^{th}\) is the Public Hearing for the Franchise Fee Increase

• **December 6**\(^{th}\) is the 2018 budget adoption

• **December 8**\(^{th}\) is the vote to adopt the ordinance change