Minneapolis Clean Energy Partnership
BOARD MEETING
Doty Board Room, Minneapolis Central Library
Thursday, March 15, 2018
1:00 p.m. – 3:00 p.m.

2018 Q1 Meeting Notes

Board members present: Mayor Jacob Frey (Chair), Council Member Cam Gordon, Council Member Jeremy Schroeder, and Mark Ruff from the City of Minneapolis; Adam Pyles (Vice Chair) and Brad Tutunjian from CenterPoint Energy; Laura McCarten and John Marshall from Xcel Energy.

Board members excused: None

Planning Team present: Sara Barrow, Bridget Dockter, Laura Dorle, Peter Ebnet, Robin Garwood, Luke Hollenkamp, Louis Mondale, Kelly Muellman, Heidi Ritchie, Al Swintek, Karlee Weinmann, Emma Schoppe

Guests/Staff present: Izzy Ballet, Todd Berreman (alternate), Timothy DenHerder-Thomas, Eric Immler, Abby Finis, Council Member Steve Fletcher (alternate), Patrick Hanlon, Nick Mark, Brian Millberg, Marcus Mills, Heidi Ritchie, Lee Samelson, Katie Jones Schmitt, Julia Silvis, Jamez Staples

1. Welcome and Introductions

Mayor Jacob Frey called the meeting to order at 1:08 p.m. Mayor Frey invited Clean Energy Partnership (CEP) Board Members, staff and guests to introduce themselves.

2. Review and Approve Agenda and Minutes

Mayor Frey asked for a motion to approve the minutes from the 2017 Q4 CEP Board Meeting. It was MOVED and SECONDED that the minutes from October 5, 2017 be approved. Motion CARRIED. It was noted that the Board conducted two online votes: electing Mayor Frey as Chair (January 24, 2018) and adopting the *Work Plan Principles* document (December 19, 2017).

3. City of Minneapolis 100% Renewable Electricity Resolution

Luke Hollenkamp reviewed the development of the resolution, which was introduced to the City Council on October 20, 2017. The Council subsequently postponed the resolution to 2018. A staff direction was issued at that time for city staff to report back to the Council in early 2018, and to prepare and present a formal agenda item at the next meetings of the CEP Board and Energy Vision Advisory Committee (EVAC) for review. The Planning Team held a number of meetings with interested EVAC members. Discussion on the resolution continued at the Q1 EVAC meeting on February 12, and policy aides from offices of Council Members on CEP were a signification part of that discussion. City staff will present EVAC and CEP Board feedback on the resolution to the City Council in April 2018.

Feedback notes from EVAC include:

- Explicitly define “100% Renewal Electricity”;
- Determine what impacts should be prioritized to meet a 100% renewable electricity goal, also keeping in mind energy efficiency as a way to reduce electricity consumption overall;
- Determine how Xcel Energy’s existing and planned portfolio of renewables can be credited and considered in meeting this goal;
- Include more specific metrics for desired impacts in this resolution or in subsequent planning, which would include an action item after the passage of the resolution;
- Ensure that the resolution is aligned with Climate Action Plan (CAP), Energy Vision, and other related plans or policies;
- Consider removing mention of technologies that may not directly impact electricity usage
- Make the document shorter and more streamlined;
- Focus the resolution on setting goals and be clear about how a plan for implementation will be developed; and
- Balance ambition and realistic goal-setting, establishing percentages and deadlines.

Council Member (CM) Cam Gordon described the resolution, which had been scaled down from six to three pages, as being typical, containing a number of “whereas” clauses which make the case for the resolutions. There has been a lot of community support, with a large movement underway of residents and others calling upon the City to set more aggressive goals for reduction of electricity emissions. The resolution contains two separate goals: to achieve 100% renewable electricity for municipal facilities and operations by 2022, and to achieve the same community-wide by 2030. Several strategies were laid out for achieving those goals. If the resolution passes, the City will develop a blueprint which would contain things like steps, metrics, timeline, milestones, outreach, and regulatory forums. The blueprint will also define the roles of EVAC and CEP in reaching these goals. The resolution will be brought before the Public Health, Environment, Civil Rights, and Engagement Committee on April 16; anyone who wants to provide additional feedback was encouraged to do so before that date.

Laura McCarten, Xcel Energy, commented that it was exciting to work with the City to make these goals a reality. Other cities have declared the goal, but Minneapolis is taking a big step forward by declaring this. Mayor Frey acknowledged and thanked Council Members Gordon, Schroeder and Fletcher who worked on this document, along with the Mayor’s policy director Heidi Ritchie.

4. Franchise Fee Increase and Funding of Energy and Climate Programming

Luke reported on progress since the last CEP Board meeting in October of 2017. Ordinance amendments were approved by the City Council at its December 16, 2017 meeting. The amendment allowed for franchise fee rates for Xcel Energy and CenterPoint Energy to be increased by 0.5 percentage points in all three customer segments. The increased revenue, estimated at $2.8 million annually, will be used to fund energy efficiency and renewable energy programs, policies, and interventions that will serve all energy ratepayers in Minneapolis. The 2018 Budget adopted by the City allocated $989,000 to the City Coordinator’s office for energy and climate programming in strong collaboration and consultations with the CEP Board, the Planning Team and EVAC members.

Subsequent to passage of the ordinance and budget, city staff and aides began developing a list of new and enhanced programs targeting energy efficiency and renewable energy for all sectors based on previous recommendations from EVAC. The Planning Team met with EVAC's Funding Work Group for in-depth feedback and discussion. The discussion with EVAC members continued at its Q1 2018 meeting in February. Based on these discussions EVAC ultimately recommended 2018 programming revisions and also recommended a greater allocation for 2019 and beyond. [Luke referenced and provided a high-level review of a handout: *Franchise Fee Increase Programming – City Staff Recommendations Overlaid with EVAC Recommendations*.]

Abby Finis, EVAC Co-Chair, said that EVAC's response to the recommendations made by the Planning Team was positive. EVAC made several suggestions for improving the plan:

- Combine expenditure targets for the residential energy efficiency programs to improve conversion rates (no-cost/low-cost Home Energy Squad visits and 0% interest financing) into one bucket for flexibility in distributing funds;
- Remove free small business audits due to existing equivalent programs, eliminating redundancy of what they believe the utility programs and utility-funded programs already offered, then reallocate these funds; and
- Add a $25,000 line item for a "Workforce Development Assessment for Renewable Energy and Energy Efficiency Sectors" to ensure that any new jobs created through these projects are equitably staffed

Recognizing that all of the funding in the 2018 Budget did not go toward implementation and action items as EVAC had hoped, and looking ahead to the 2019 budget, EVAC is writing a statement for submission to the City's CEP Board members advocating for a greater total 2019 allocation amount in order to improve progress made toward achieving the CAP goals. EVAC would also like to direct funding to programs that ultimately reduce energy bills for businesses and residents. Beginning in 2019 the projected annual revenue from the franchise fee increase is $2.8 million.

EVAC also discussed the possibility of the utilities making additional contributions to co-fund Partnership activities and redesign existing programs to match the funding the City is receiving through the increased franchise fee. Council Member (CM) Gordon referenced the Energy Pathways Study, conducted several years ago before formation of CEP, that suggested this as a possible way to get revenue for clean energy projects. Now that the City has provided a dedicated funding stream for activities of the Partnership, he proposed that the utilities contribute matching funds—apply marketing dollars or other funds—to leverage the $75,000 currently budgeted for community engagement. CM Schroeder suggested looking at the $989,000 budget as a whole with these potential additional contributions.

In response, Laura referred to the original Memorandum of Understanding (MOU) enacted when the Partnership was formed. That document states that if Partnership efforts go above and beyond what the utilities offer as part of their extensive energy efficiency and renewable energy programs, the City will bear the cost. By regulation the utilities cannot provide preferential treatment to a single class of customers. Energy customers in Minneapolis are actually paying the additional $989,000 in franchise fees, which is in keeping with the foundational principle of the MOU. The utilities are donating significant staff time to the Partnership, but due to regulatory constraints are not in a position to match this funding. However, since Xcel Energy's Minneapolis customers are already paying a proportionate amount for programs already in place, they will look into redirecting some of these funds.

Brad Tutunjian, CenterPoint Energy, reiterated that funding from the franchise fee increase is coming from rate payers, so any additional funds for the City of Minneapolis would also come from them. He added that CenterPoint Energy has opportunity and leverage within its Conservation Improvement Programs (CIP), and is willing to investigate and collaborate on identifying and filling gaps in CIP services or offsetting initial costs for CIP programs to leverage them specifically.

CM Schroeder brought up two points. The first is that ten to twenty years from now the utilities' business models will no longer work, and he wondered how the Partnership could work together to benefit all parties. It might involve an investment by the utilities that does not come from rate payers but from dipping into shareholder or other funds. The second was the legislative bill that was recently introduced at the state level on Xcel Energy's nuclear plants. He found it disturbing that Xcel Energy had not informed the Partnership in advance, and believes that what the bill is seeking is contrary to the goals of the Partnership. Laura said one of the values of the Partnership is the opportunity to come together and have these discussions. She took CM Schroeder's point about innovation and being open, but also noted that as a regulated utility Xcel Energy must conduct itself in a way that comports with regulation and law.

CM Gordon suggested asking the Public Utilities Commission (PUC) for special permission to do some pilot programs. At its inception the Partnership requested that the PUC give its support, and he was under the impression that they invited the Partnership to come back if they needed something in addition. Regarding Xcel Energy's Carbon Reduction Facilities Bill, CM Gordon said the City would probably not support it.

CM Schroeder asked for clarification on whether or not CenterPoint Energy and Xcel Energy plan to provide additional funding at this point. Adam Pyles, CenterPoint Energy, said they will look at their current CIP programs in light of the activities that have been identified for use of the franchise fee funding, to see if they can realign any current spending to match some of these programs. Developing additional programs requires a regulatory filing, a proceeding, etc. to get approval, which is more of a long-range possibility. John Marshall, Xcel Energy, said that they would do the same. The utilities will report back at the Q2 CEP Board meeting. CM Schroeder asked that they also provide some information on long-range programs that will help the City meet its climate goals.

In answer to CM Schroeder's question about the meaning of inclusive financing tools, Adam replied that he sees it as a category of several possibilities. One could be CenterPoint Energy's On-bill Loan Repayment project currently underway that is expected to be implemented later this year. Other financing approaches could have the same effect of increasing access to energy efficiency investments. "Inclusive financing" as used here does not mean just one thing, but multiple possible financing approaches should be evaluated. CM Gordon noted that inclusive financing may also include a program where the consumer is not carrying the debt, but the financing is provided by another entity and stays with the building. He suggested a staff direction for a presentation at the Q2 CEP Board meeting on inclusive financing. John agreed, and thought bringing in subject matter experts to present programs and options would be helpful.

5. Priorities for 2019-2020 Work Plan

Bridget Dockter, Xcel Energy, reported on the March 1 Board meeting on work plan priorities. The Planning Team is requesting that the Board adopt its top three priorities for the next work plan and direct the Planning Team to begin developing two to three potential Partnership Activities for each priority. The goals of the meeting were to provide an opportunity to understand one another's perspectives and ideas of success; ensure alignment of the City's climate goals and Partnership priorities; and develop consensus on a manageable number of top priorities for the next Work Plan, as set out in the Work Plan Principles approved by the CEP Board in 2017, that will make an impact on reaching the City's climate goals.

The Board agreed upon three priorities:

- Lower energy consumption and maximize energy efficiency savings in industrial, commercial, and residential sectors.
  - Leverage utility CIP programs to achieve 20% energy efficiency savings in commercial and industrial buildings by 2025.
  - Focus on big impact greenhouse gas (GHG) activities.
- Make more clean energy (renewable energy and energy efficiency) accessible and available through new inclusive financing tools.
  - Create an on-bill financing program to empower residents and property owners to invest in energy efficiency upgrades and clean energy.
- Make the city more sustainable/resilient through increased local renewable energy.
  - Significantly expand the use of clean, renewable energy, including alternatives for heating our buildings.

At the March 1 meeting the Board also identified several approaches it could use to achieve the priorities:

- Go as a Partnership with a set list of meaningful agreed-upon asks to the state and PUC that would help the city reach its climate goals, and find pathways for more synergy with lobbying efforts at the state and federal level.
- Consider both return-on-investment and equity in making investments that lead to reduced energy consumption and energy efficiency.
- More clearly identify and inventory each partner's key attributes and pick one project that demonstrates how the Partnership can leverage these respective strengths.
- Improve operations of Partnership through role clarification and structured prioritization of goals and activities.

The Partnership had previously requested that the Planning Team put the results of the meeting into a report, and also conduct an analysis of current work plan activities mapped to the three identified priorities. The Planning Team has done a cursory review and found that energy efficiency falls into activities within all three segments identified in the Work Plan—residential, multi-family and commercial—but did not align well with activities within the City's enterprise section. Renewable energy aligned with some of the activities in the current work plan. As discussed previously inclusive financing tools remain to be defined, and will be addressed at the Q2 Board meeting.

Following Bridget's presentation, Mayor Frey moved to adopt the top three priorities for the next work plan and direct the Planning Team to begin developing potential Partnership Activities for each priority. CM Gordon made a friendly amendment that the four approaches also be included in the motion, and that the Planning Team make arrangements for a presentation on inclusive financing to be delivered at the Q2 meeting.

Adam wanted to clarify language in the second sub-bullet under the first priority, i.e. "commercial energy efficiency of NRG's downtown district heating and cooling system." He said his intent at the meeting was to provide two examples, with a comma inserted between "commercial energy efficiency" and "NRG's…system," to make the point that in order for the City to meet its goals we need to focus on big impact projects, users and emitters, and was using NRG as an example.

Mark Ruff, City of Minneapolis, said that the City's Convention Center is one of the larger users on the NRG system and that contract will soon be up for renewal. There might be an opportunity to partner with the Convention Center in renegotiating the contract for the benefit of the City and municipal enterprise. The issue of district energy is timely as the City is planning its new consolidated office building. Hennepin County and NRG have been lobbying the City to join one of their district systems, but a carbon footprint analysis done by Luke revealed that district energy is not the most energy-efficient, nor least-emitting, option. A discussion on this topic would be helpful as it is another potential area of partnership. Luke added that there is a strategy in the CAP encouraging the expanded use of district heating and cooling. In this particular analysis, they found that when district heating and cooling does not use co-generation, producing both steam and electricity, it is not advantageous environmentally. With the addition of the co-generation component that calculation can change. Another factor is that downtown buildings that are customers of district heating from NRG in particular are not able to access CIP funding for energy efficiency programs. Bridget affirmed that NRG cannot access CIP funds because they filed for CIP exemption; to opt out they filed with the Department of Commerce stating that they do their own energy efficiency projects. This limits the ability of the utilities to incentivize NRG on energy efficiency projects.

There being no further discussion, it was MOVED and SECONDED that the Partnership adopt the top three priorities for the next work plan, including the approaches, and direct the Planning Team to begin developing potential Partnership Activities for each priority as well as prepare a presentation on inclusive financing for the Q2 Board meeting. MOTION CARRIED.

Bridget presented a tentative schedule for 2018 Board meetings and work plan development:

- Q2 (May): Receive progress report from Planning Team on Partnership Activities development; presentation by panel of experts on inclusive financing options.
- Q3 (July): Receive 2017 Annual Report and review proposed Partnership Activities for feedback.
- Q4 (October): Adopt next work plan with Partnership Activities. (EVAC membership appointments will most likely be conducted via email in the Fall of 2018.)

6. Announcements / Open Discussion

- *Xcel Energy's Resource Plan – 85% Carbon Free by 2030*
  John addressed the topic of Xcel Energy's nuclear bill in the context of its larger resource planning process. In February of 2019 Xcel Energy will be before the PUC with the next iteration of its resource plan. As Xcel Energy sits today there has been a lot of change with respect to its fleet. A significant amount of reduction in coal and a very large increase in the amount of wind is the direction it is heading in currently. Xcel Energy is and has been for more than a dozen years the number one wind energy utility provider in the nation; it plans to double-down on its wind investment moving forward. This is leading them on a clean energy path that they plan to achieve by 2030. Today Xcel Energy is 50-55% carbon free energy; after the next round of significant wind investments it will be around 70% carbon free energy by 2020. The long-term goal is to get to 80% carbon free energy by 2030. Xcel Energy's current resource plan for 2030 places them at 35% renewable energy; they would like to take that vision up to 60% renewable energy by 2030. The carbon free mix currently laid-out would go from 63% to 85%. A key piece includes the ongoing operations of Xcel Energy's nuclear fleet through the end of life, which is what the legislative bill reflects with respect to the earlier discussion brought up by CM Schroeder. There was no intention by Xcel Energy to surprise the City or CEP Board with this legislative action.

  The discussion following John's explanation included these questions, comments and concerns:

  - When asked how Xcel Energy made the determination to go towards nuclear as opposed to other forms of renewable as the mechanism to do carbon free energy, John said that from an investment standpoint having a diverse portfolio is critical and important. Wind and solar energy, the renewable energy that is being discussed now, is very much the future, but at present is intermittent and an element of baseload is needed. Xcel Energy is choosing nuclear over coal, aggressively closing coal plants and backing them up with combined cycle natural gas. Conversion of the Riverside plant in Minneapolis and the High Bridge plant in Saint Paul are good representations of that. With respect to generation that is required for 24/7 operation, Xcel Energy is looking at coal versus nuclear, and nuclear is the carbon free choice.
  - Laura added that at present wind and solar are not good options for baseload since the cost feasibility for storage is not available today. Xcel Energy must provide a bridge until solar and wind storage is economically viable, and keeping the existing nuclear plants operating accomplishes that while shutting down coal plants. The legislation does not guarantee keeping the plants open; it sets up a process whereby Xcel Energy can file with the PUC what it would cost to keep the plants operating to the end of their life (2030 for Monticello and 2033-34 for the two units at Prairie Island). The PUC would still do an analysis to determine if it is prudent and good for customers. If the PUC approves the plan Xcel Energy would know how to proceed in the long horizon of planning, investment and execution. The Bill would provide that certainty over a long period of time and set in place a process where the PUC will review and approve the plan and cost. Currently Xcel Energy's nuclear power plants provide about 30% of its customers' energy. To retain that 30% carbon free part of its resource mix through the 2030 time

period, Xcel Energy is looking for some tools that make it easier but also understand the boundaries within which it is working.

- CM Schroeder requested that in the future CEP Board members and staff be notified before an action like this is taken. John agreed that the request for more transparent communication was reasonable and Xcel Energy will work toward that moving forward.
- Regarding the baseload, CM Schroeder brought up the resilience of the City and broader community and added that reducing usage would help reduce the baseload. The City is interested in helping the utilities develop renewable energy going forward rather than relying on nuclear. While nuclear energy is one of the least harmful electricity generators from a carbon perspective, nuclear waste is in fact harming the environment.
- CM Schroder asked why the legislation was necessary, instead of going through the current regulatory process with the PUC. John replied that what this bill does is provide a forward-looking financial analysis. From an economic standpoint, as opposed to the traditional methodology of looking in the rear based on past spending, this takes the approach of looking to the future to determine what it would cost to reach the goal of 85% carbon free by 2030. It provides economic certainty to customers and rate payers of Xcel Energy. Sara Barrow, Xcel Energy, said this differs from the current process where rate cases are used to recover costs and expenditures already made to keep the power on. With this bill Xcel Energy is requesting that expenditures on nuclear power plants be approved before the money is spent, which is better for its customers and rate payers. If this legislation is passed, the process (public hearing, etc.) will not change, but Xcel Energy will have a vehicle to go to the PUC to discuss its nuclear costs outside of the normal rate making process. John added that they would be available if City staff wanted to have additional discussions about this outside of CEP meetings. Mayor Frey agreed that would be helpful.
- CM Gordon is concerned about the rider, and does not understand why Xcel Energy cannot make the rate case as is customary or get permission to make some prudent investments in massive solar gardens and wind, things that would actually reduce carbon. Laura said Xcel Energy does use riders for recovery of investments in between rate cases. She could not say with certainty this rider might be a permanent one. She added that Xcel Energy is making billions of dollars in investments in wind and solar.
- Mayor Frey requested that subsequent to meetings with City staff Xcel Energy provide by email an analysis on the legislative criteria and why it is necessary. He suggested that City Intergovernmental Relations staff be included in the meetings. Xcel Energy agreed to do this.
- CM Gordon stated that while it is important to have a good Partnership, and each entity in the Partnership is free to pursue its own actions, he considers the continued reliance on nuclear power to be a bad idea and will likely be working with others to contest Xcel Energy's bill. He fears nuclear energy will be considered a clean, renewable energy. At some point the Partnership will have to define clean renewable energy so that everyone knows what it means and what we are working to achieve.

• *CenterPoint Energy's Renewable Natural Gas Tariff*
Emma Schoppe, CenterPoint Energy, announced that CenterPoint Energy is pursuing a green-tariff program for renewable natural gas (RNG) which is similar in concept to Xcel Energy's Windsource® and Renewable*Connect programs. The program would give

customers the choice to voluntarily increase their gas cost in order to receive a portion of their natural gas from renewable sources. RNG is derived from organic feedstocks; sources include agricultural/livestock waste, landfill gas and wastewater. Use of RNG allows geologic natural gas to remain underground. Depending on the source, RNG may also reduce or eliminate methane and CO2 emissions. The program is in the design phase and CenterPoint Energy anticipates submitting a filing for PUC consideration this spring. CenterPoint staff will reach out to CEP Board members, individually or in group settings, to provide additional information and respond to questions.

CM Schroeder asked what the amount of the tariff would be. Emma said the cost has not yet been determined; they will have a better idea about costs after soliciting proposals from RNG suppliers. Nick Mark, Manager of Energy Efficiency and Renewable Energy Policy at CenterPoint Energy, said that RNG is not cheap, which is why it is not currently in its portfolio. There are a number of different sources, but in general the cost of production is two to three times the cost of traditional gas. There are some incentive programs for use of RNG as a vehicle fuel— the federal Renewable Fuel Standard and the California Low Carbon Fuel Standard (LCFS)—that combine to drive the price up to $25-$45 per MMBTU (one million British Thermal Units), as opposed to the current cost of gas which is in the $2.50-$3 range. CenterPoint Energy is considering program designs that can make RNG available to customers without spreading costs onto people who have not opted for it. Customers who do opt in would be able to choose the price level at which they are comfortable participating in the program. The hope is that over time prices for RNG will decrease.

Referencing innovative approaches discussed earlier in the meeting, Adam added that RNG is an example of fairly emerging technology. There is not a lot of RNG production in the country. There is organic feedstock in the state that could potentially develop into an industry here. Thinking back to how solar panels developed, initial pricing was very different than what we have today. There is no guaranty that RNG will go that route, but ideally that is the path it would take.

Luke asked if any environmental analysis had been done, either by CenterPoint Energy or a third party. If such analysis exists, it could be helpful to educate the Planning Team, CEP Board members and EVAC about RNG. Nick said the LCFS in California assesses every product of RNG based on the feedstock that they are using, the path the gas takes to get to the California market, and a variety of other things. California uses this analysis to quantify the GHG reduction represented by a gallon of RNG as opposed to a gallon of gasoline. The result of that calculation is extremely variable. For instance, moving landfill gas from Virginia to California has a much different carbon footprint than capturing methane from a manure lagoon in California that would otherwise go directly into the atmosphere. In all cases the fossil carbon, the natural gas produced from a well, stays in the ground. There are better and worse ways to produce RNG, and there are a variety of technologies that can be used. There is not a single answer to that question, but in general terms what CenterPoint Energy is looking at for this program is to source from one of these places that are defined by either the federal or California program as qualifying for their programs. CenterPoint Energy is talking about the source of the energy rather than making any specific plans about the GHG impact.

CM Gordon wondered if there were goals for getting a certain percentage of RNG into the natural gas mix. Emma said they were looking at goals for customer participation but are still flushing that out. In terms of a customer purchasing a portion of RNG, due to the cost of the product being so high, CenterPoint Energy does not anticipate achieving high percentages of RNG initially. Thus the idea of the program might be to have customers contribute a certain dollar amount for RNG. Asked if CenterPoint Energy was setting goals to reach in terms of the mix, Adam replied that they have not established goals. If CenterPoint Energy were to buy RNG as part of the normal gas supply, the company would need to have a policy discussion with the PUC. The PUC would need to agree that it made sense from a state policy point of view, and that all rate payers would pay this premium for gas supply. On the production side, RNG does intermix with all other gas. The chemical composition is virtually the same as fossil natural gas after all the processing that happens. If a consumer wanted to get all of their gas from RNG, and was willing to pay the higher price, CenterPoint Energy could make that happen.

- *CenterPoint Energy's Energy Data Aggregation Tool*
  CenterPoint Energy's project to develop an Energy Data Aggregation Tool is on track to be completed and launched by the end of 2018. The tool will facilitate benchmarking of multi-tenant buildings by aggregating energy use for the whole building while protecting the data privacy of individual tenants. In early 2018, CenterPoint Energy selected Accelerated Innovations through a competitive bid process to develop the tool. Accelerated Innovations has considerable experience in energy benchmarking and utility data management. A stakeholder engagement meeting to solicit input on the project is scheduled for March 20 in Minneapolis.

- *CenterPoint Energy's On-bill Loan Repayment*
  CenterPoint Energy's project to develop an On-bill Loan Repayment project is on track and expected to be available to select trade allies fall 2018 and fully launched by early 2019. On-Bill Loan Repayment will allow CenterPoint Energy's customers to make loan repayments directly on their gas bill for qualified energy efficiency upgrades. In late 2017, CenterPoint Energy selected the Center for Energy and Environment (CEE) through a competitive bid process to develop the project. In early 2018, the project team commenced program design and technical implementation. CenterPoint Energy aims to submit the program for consideration to the Department of Commerce by mid-2018. Todd Berreman, CenterPoint Energy, said they are developing a list of eligible projects or appliances as part of the program design phase, but a project covered by an on-bill repayment loan must include a project that qualifies for a CIP rebate. Solar or wind installation eligibility for On-bill Loan Repayment is under consideration.

- *Xcel Energy's Low Income Solar Garden at the Roof Depot Site*
  This program is not an official work plan item, but is something that Xcel Energy has been working on for more than a year. The Minnesota Renewable Energy Society has a current grant through Xcel Energy's Renewable Development Fund. The grantor was doing two low-income solar gardens, including one in North Minneapolis. The grant was given prior to the value of solar coming on board, so the value of the renewable development grant changed.

Renegotiating that contract left an additional $1.2 million available from the original grant. Xcel Energy filed a petition to have a third low-income community solar garden at the City-owned Roof Depot Site, and the City filed a supportive letter. The first feedback from the DOC analyst was not supportive. He recommended cutting the award by one-third and doing a power purchase agreement instead of third party ownership with the Minnesota Renewable Energy Society. All parties filed additional comments. Currently it is before the PUC awaiting further review and a decision by Commissioners. Brian Millberg, City of Minneapolis Energy Manager, commented that if this garden is built, it has the potential to save low income customers 40% off their bills. CM Gordon asked that CEP Board members be notified when it does come up on the docket so they can make supportive comments at that time.

- *Xcel Energy's Small Business Refrigeration Program Update*
  Bridget said this is a work plan item, and the program focuses on small businesses like grocery stores, liquor stores, small convenience stores and gas stations that use coolers for refrigeration. CEE was hired as the implementer. This is a statewide program, but CEE will do targeted outreach in Minneapolis. This is one instance where Xcel Energy can justify doing some extra spending with regulators because of the size of the city and economies of scale. Xcel Energy has been working with the City, EVAC's Small Business Work Group and other business organizations. Green Zones will be a priority. Xcel Energy, the City and CEE have met to discuss leveraging the Green Business Cost Share (GBCS) program, financing options, geographic outreach, marketing materials and communications. Rebates for Xcel Energy's program can reach 50% of project cost, and leveraging GBCS in Green Zones will offer an additional 30%. Outside the Green Zones, everywhere else in the City could see an additional 20%, so 70-80% of project costs for small businesses can be managed through rebates and grants. Xcel Energy received a favorable proposed decision from the Department of Commerce and a formal decision is expected on March 29. Xcel Energy will also leverage CEE's financing programs with this program.

7. Next Meeting

The Q2 2018 CEP Board meeting will be held in May, date and location to be determined.

The meeting was adjourned at 2:55 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