

**Minneapolis Clean Energy Partnership**  
**BOARD MEETING**  
Doty Board Room, Minneapolis Central Library  
Thursday, November 8, 2018  
3:00 – 5:00 p.m.

**2018 Q4 Meeting Notes**

**Board members present:** Mayor Jacob Frey (Chair), Council Member Cam Gordon, Council Member Jeremy Schroeder, Council Member Steve Fletcher (alternate), and Mark Ruff from the City of Minneapolis; Adam Pyles (Vice Chair), and Todd Berreman sitting in for Brad Tutunjian from CenterPoint Energy; Kelly Bloch and John Marshall from Xcel Energy.

**Board members excused:** Brad Tutunjian

**Planning Team present:** Sara Barrow, Bridget Dockter, Peter Ebnet, Robin Garwood, Kim Havey, Emma Schoppe, Al Swintek, Karlee Weinmann

**Guests/Staff present:** Carter Dedolph, Abby Finis, Patrick Hanlon, Eric Immler, Katie Jones, Matt Kazinka, Kennedy Kruchoski, Michael Krause, Nick Mark, Marcus Mills, Patty O’Keefe, Rebecca Olson, Gene Ranieri, Heidi Ritchie, Lee Samelson, Jamez Staples, Mary Timm, Michelle Wenderlich, David Zaffrann

**1. Welcome and Introductions**

Mayor Jacob Frey called the meeting to order at 3:04 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 agenda, as well as the minutes from the 2018 Q3 CEP Board Meeting. It was **MOVED** and **SECONDED** that the agenda for November 8, 2018 be approved. Motion **CARRIED**. It was **MOVED** and **SECONDED** that the minutes from July 27, 2018 be approved. Motion **CARRIED**.

**3. Board Updates**

a. **IPCC Report and Bloomberg Grant Award**

Mayor Frey reported that according to the Intergovernmental Panel on Climate Change global warming is currently estimated to be 1.5 degrees Celsius warmer somewhere between 2030 and 2050, and that is if we are doing everything right. Although we are making some extraordinary changes and tackling significant measures, just the 1.5 degrees Celsius increase in temperatures will cause catastrophic consequences. This should ground us in the necessity to act. The report also finds that this global warming will require a rapid and far-reaching transition: land, energy, industry, buildings, transport and cities. Global net human-caused emissions and carbon dioxide will need to fall about 45% from 2010 levels by 2030, reaching net zero around 2050. This is serious information which serves to ground the conversation of the Partnership.

Minneapolis received the American Cities Climate Challenge award from [Bloomberg Philanthropies](#). This results in approximately \$2.5 million in both in-kind and resource funds to help the City expedite the work already underway and perhaps move some new policy work, i.e. deep energy retrofits in municipal buildings, to help the city enterprise meet its 100% renewable energy goal by early 2023.

b. Xcel Energy: Resource Plan and Integrated Distribution Plan

John Marshall, Community Relations Director at Xcel Energy, congratulated the City on its Bloomberg grant. He also thanked the City (Mayor, Council Members and staff) for the street lighting retrofit currently underway and expected to be completed by the end of 2018. Converting to LED street lights was part of a prior CEP work plan; it will achieve significant carbon reduction goals along with energy and financial savings for the City.

Xcel Energy's Integrated Resource Plan (IRP) is a guide path for it to examine and discuss the future generation fleet for electric generation in the next fifteen years. Xcel Energy planned to file the IRP with its regulators in February 2019; it recently sought a six-month extension which is still under consideration by the Public Utilities Commission (PUC). The request for additional time is driven by two factors: allow more time for E3, a group of energy efficiency experts to study impacts of the overall Resource Plan with respect to Xcel Energy's transmission grid and overall operations. Two stakeholder workshops have been held. If the PUC approves the extension they will have another six or seven additional stakeholder group workshops. Xcel Energy expects the filing to take place in June or July, 2019. Anyone interested in receiving updates should contact Bridget Dockter.

Kelly Bloch, Regional Vice President, Distribution Operations for Xcel Energy, reported that at the end of August the PUC ordered Minnesota utilities to file an Integrated Distribution Plan (IDP). This takes into consideration generation moving closer to the customers to address their changing needs. Two stakeholder meetings were held before the first annual filing in November. Xcel Energy is seeking additional comments to ensure that moving forward the IDPs are relevant for Xcel Energy and its customers. Bridget said that anyone interested in receiving a link to the document or more information should contact her. Kim Havey added that the City's Sustainability Department has hired a new staff person who will be working on PUC and regulatory affairs including the IRP and IDP; Stacy Miller's first day of work will be November 26.

#### **4. 2019-2021 Work Plan Presentation and Discussion**

Kim provided background on the current status of greenhouse gas emissions (GHG) reductions. The 15% reduction target by 2015 was met, and the City is now working toward its 30% reduction target by 2025. Good progress is being made, and most of the accomplishment has come from a change of the electric grid mix and renewable energy contributions. Reduction in the carbon emissions from the electric grid accounts for about 85% through the end of 2016. There is a delay of approximately one year in getting updated information; data from 2017 should be available soon. In order to meet the 2016-2025 reduction requirement, the City needs to see approximately 152,000 metric ton equivalents of CO<sub>2</sub> reduction on the natural gas side, and 158,000 MTCO<sub>2</sub> on the electricity side. These numbers are relevant because there will be a

chart on each of the work plan activities that estimates the carbon reduction for the next three years.

Emma Schoppe introduced the purpose of the Q4 meeting, for Board consideration and approval of the 2019-2021 CEP Work Plan. She reviewed the work plan development process throughout 2018, noting the various points at which the Energy Vision Advisory Committee (EVAC) had an opportunity to review and provide input on the proposed work plan activities. Emma restated the priorities and approaches that the CEP Board agreed upon for the work plan ([PPT Presentation](#), Slides 5-6).

Bridget introduced an example of the new format for describing work plan activities (PPT Slide 7). There will be a summary, description and estimated timeline. Both CEP Board and EVAC members requested that the anticipated impact on GHG and energy savings, along with equity and workforce impact be shown as they are critical pieces of information. A chart relating to each activity will show key takeaways: who will be the project lead, provide primary/secondary support, the customer segment, GHG reduction, and whether there is an equity component and workforce element.

EVAC co-chairs provided an overview of the process of EVAC feedback (PPT Slide 8). Abby Finis said that in September EVAC convened a group—including eight EVAC members and staff from the City and utilities—to discuss what they wanted to see included in the work plan. They developed “need to have” criteria for how to present the activities to aid with evaluation (PPT Slide 9) and “need to have” criteria that would be reflected in the final package of work plan activities (PPT Slide 10).

At the Q4 EVAC meeting, Matt Kazinka said they reviewed a draft of the work plan for the purpose of judging it based on the criteria previously set forth. After considerable discussion EVAC passed a list of work plan recommendations for the Board’s consideration (PPT Slides 12-13).

Members of the Planning Team introduced the ten Partnership activities proposed in the work plan. The Planning Team believes that the work plan is consistent with the priorities and approaches approved by the CEP Board in Q1, and is responsive to many of the comments provided by EVAC. Following each category, CEP members were given an opportunity to comment or ask questions.

**Energy Efficiency (Summary Chart PPT Slide 14) – Emma:**

- EE.1: Reduce natural gas use for residential customers
- EE.2: Reduce energy for high energy savings potential commercial customers
- EE.3: Pursue energy efficiency “performance path” at City facilities
- EE.4: Field test energy efficiency and carbon capture technology
- EE.5: Support residential energy disclosure policies by making data accessible with tools

*CEP Board Comments and Questions on Energy Efficiency Activities:*

EE.1

CM Fletcher: Is this primarily targeted to single-family homeowners? Are we getting into multi-family units?

We have programs for multi-family residents, renters, and homeowners. Currently we are looking specifically at air sealing and insulation, which is more common in single family residences. High efficiency appliances could be installed in any kind of residential building so anyone can take advantage of those rebates. This is also being coupled with EE.5, which is about supporting the City's new residential energy disclosure policies that will be part of the driving force behind data aggregation. They will be bringing information on all residential properties—multi-family above four units—in benchmarking, and also looking at single family and duplexes under Truth in Sale of Housing. Understanding those high energy users will help target efforts under this program.

EE.2

Mark Ruff: Would like to see district energy included on the list. There has been a focus on commercial customers but suggests that other public partners should be considered: Hennepin County, school district, major commercial customers. NRG is not exempt from the electric side, so that does open up a lot more potential.

CM Gordon: Our Partnership does not have all of the partners we might need if we want to really get a handle on energy use. While he is not saying we should develop an MOU and get them at the table, he is wondering about an opportunity to influence, work with or partner in other ways with entities like NRG, the University of Minnesota, transportation, and Hennepin County. It would be unfortunate if we did everything we could do and did not include those entities we can't control.

EE.3

CM Gordon: Is "performance path" a new thing or a program that already exists? Do you know which facilities it will be piloted on?

It is a new program created by Xcel Energy, and the City is the pilot. Brian Millberg, the City's Energy Manager, sent a list of 35 facilities that could be considered. Brian wants to focus on controls, and LED street lighting owned by Minneapolis is included in the 10% reduction.

EE.4

CM Gordon: This sounds very specific. Is Clean02 trademarked terminology?

This is new technology. Clean 02 is based in Canada, and this technology captures heat from commercial heating appliances and combines it to make a carbon byproduct which can be used in manufacturing things like glass and soap. It claims to save energy as well as capture carbon emissions, and it can add revenue by selling the byproduct. The Planning Team plans to test it at an appropriate facility in the City. Brian Millberg has identified a couple of options for consideration.

Mayor Frey: What does sequestration and extraction look like?

Sequestration is something that the City is looking at with the Environmental Health Department and through the City's urban forestry program used by the Park Board and Tree Trust.

Sequestration utilizes deep-rooted plants to extract carbon from the air and bio-char (creating charcoal out of biomass that would decompose in a short period of time as compared to biochar that decomposes and releases carbon over a thousand years) to reduce the amount of natural carbon being emitted. By planting more trees and deep root plants and using new types of technologies like this biochar and Clean O2 both slows the release of carbon and absorbs carbon which reduces the carbon parts per billion of carbon dioxide in the air. Just like the Amazon jungle, which is a major carbon extractor, we are trying to create an urban forest here and look for technologies that are able to pull carbon out of the emissions before they go up in the air.

CM Gordon: Do you know what the byproduct of clean CO2 looks like?

It is sodium carbonate ash.

CM Gordon: Is CenterPoint Energy funding the exploration of this activity? Do we know who is going to do the studies?

Yes, CenterPoint Energy is funding exploration. The City will host one site, and CenterPoint Energy is looking for other potential sites. A third party, based in Wisconsin but with an office in Minneapolis, is doing the evaluation study.

CM Fletcher: What is the level of confidence in finding a market for the byproduct or disposing of it in a safe way? Are we creating a new problem by sequestering carbon dioxide?

Soda ash, which is the main byproduct, is a widely used industrial component used in a wide variety of applications, i.e. glass making, baking soda, soap making. Most of the soda ash on the market today is coming from a mine in Wyoming, so this technology would reduce the amount of extraction there.

CM Gordon: Who gets the profits?

The profits would be split for the first five years under a typical revenue sharing scenario.

Adam Pyles: Is this one of the first installations in the United States?

Yes. Currently there are none in the United States, and this will be the first installation. A small pilot is operating in Vancouver.

### **Renewable Energy (Summary Chart PPT Slide 15) -- Bridget:**

RE.1: Install electric vehicle infrastructure for city fleet

RE.2: Achieve 100% renewable electricity for city enterprise and community pathway

RE.3: Provide solar garden and energy efficiency opportunities for low-income communities

Kim invited Xcel Energy to talk about the recent announcement concerning the electric vehicle pilot. John said the emerging electric vehicle market for Xcel Energy is a big part of its strategic future movement forward. Referencing Xcel Energy's IRP and further decarbonization of its generation portfolio, John said there is an obvious link to the impacts of the transportation industry. According to the federal government energy generation is now second to transportation for carbon emissions, so there is an opportunity to make the link and transform another industry.

Electric vehicles—whether the city fleet, or individual/residential pilots—represent a new frontier for Xcel Energy. Typically the bifurcation of responsibility for a utility in the distribution system is the meters, but Xcel Energy is experimenting going beyond the meter with some infrastructure for electric vehicle charging.

Kim said the City is very excited to see this initiative. With 1700 vehicles in its fleet, the majority of which are cars used for inspections and regulatory services, moving to a more electric fleet is a goal the City is hoping to see happen in the near future. They first need to determine patterns of use, and how and when they will be able to charge those cars using renewable energy. It will take time, planning and integration to figure this out and balance it within demand to avoid recharging during peak times. Kim promoted efficiency first, figuring out ways to reduce the need for cars and vehicle miles traveled by using ride sharing or other options. Bridget added that the City's Public Works Department estimated fuel savings of \$528,000 annually, and they have indicated they are very excited about this pilot.

The City will choose to own or lease-to-own vehicle charging stations. On the residential side, the cost of electrical work and figuring out which charger to buy can be a significant barrier to purchasing an electric vehicle. Not only is there range anxiety about how far one can go on a charge, there is also charger anxiety about which one to buy and how to go about doing it. The City is hoping to come up with a program that will offer an easy entrance point for both businesses and residents to be able to own or lease-to-own with the support of Xcel Energy. Bridget said that one of the pilots mentioned in its overarching electric vehicle filing was a residential advisory tool to help them choose the best charger and pricing. In Xcel Energy's IDP filing they also addressed what kinds of technologies are planned to help customers do longer-term planning about type of vehicle and location of chargers.

*CEP Board Comments and Questions on Renewable Energy Activities: None.*

### **Workforce Development (Summary Chart PPT Slide 16) – Kim:**

WD.1: Improve equitable access to clean energy jobs

This is a new addition that EVAC and other Partnership members are interested in doing. The Partnership will be building off the workforce study that is about to begin. They will also be working with the National Association of State Energy Officials and the Energy Futures Initiative. Some experienced people are signed up to assist, including David Foster, who was the deputy administrator for the Department of Energy and the founding executive director of the BlueGreen Alliance, and Philip Jordan, executive director of BW Research Partnership, who has studied extensively to understand how energy jobs can bring up communities with a specific focus on the innovation economy. The overall managing director will be Sandy Fazelli, national policy director for state and local governments on workforce issues with NAZIO, specializing in addressing underserved residents and markets. They will be focusing on analysis of the Minneapolis-Saint Paul metropolitan area using United States energy efficiency research data. A new component has been added that will be available in January 2019 which focuses on the clean energy technology and what the job opportunities and types of jobs available are specifically in the metropolitan area. There will also be an evaluation of workforce training programs, financing, policy and program initiatives that have been implemented and have shown success in

other states' metropolitan areas and cities. There will be a series of interviews with key Minneapolis public and private stakeholders as well as the surrounding communities including Hennepin County and the State of Minnesota. A report that is now underway and due out on March 1 will examine how the 2018 renewable electricity standard and our work around energy efficiency can be tapped to develop training programs, and determine what jobs we can train for and what types of activities we need to do. In conjunction with that, understanding how we can leverage the work that the utilities will be doing on energy efficiency to ensure that we can create a pipeline and as an end result more jobs for local residents. An additional \$50,000 in funding from the 2019 franchise fee will be used to implement and support the recommendations of this report.

*CEP Board Comments and Questions on Workforce Development Activities: None.*

**Inclusive Financing (Summary Chart PPT Slide 17) – Emma:**

IF.1: Improve access to energy efficiency by providing inclusive financing

This activity is consistent with the Q3 CEP Board direction for the preference to commit to an inclusive financing pilot program to help customers overcome barriers to financing home energy upgrades. Significant progress has been made by the Partners in defining the parameters of the potential pilot program. The Partnership has an estimated timeline of going to the PUC or other applicable stakeholders to discuss the regulatory barriers in early 2019.

*CEP Board Comments and Questions on Inclusive Financing Activities:*

CM Gordon: Who will be putting inclusive financing on their bill?

There is a possibility it will be included on CenterPoint Energy's on-bill loan repayment bill if the pilot is feasible for its customers. There is work to be done on the source of funding and how it is implemented. In going before the PUC, CM Gordon offered the assistance of the City's government relations staff.

Bridget provided an update on the Energy Transition Lab study. The scope of work was completed on November 7, the Lab sent out some information on needed utility data, and they are pulling together a committee to begin the study soon. Meister Consultants Group, Inc. is on board to do the analysis.

CM Schroeder: Inclusive financing is one of the only things listed that has the potential of having more GHG reductions. Thank you to EVAC for calling out that this is not ambitious or realistic. If we are serious about meeting goals for 2025 this does not get us there, but it is a great start. Inclusive financing gives an option that Minneapolis ratepayers can do more, but at this rate we will still be probably 100,000 MTCO<sub>2</sub> short of our 2025 goal.

At the conclusion of the work plan presentation, Mayor Frey called for additional discussion on the recommended action of approving the 2019-2021 Clean Energy Partnership Work Plan. CEP Board members acknowledged that the proposed activities do not add up to meeting the 2025 GHG emissions reduction goals. They also acknowledged and discussed other activities that are contributing to meeting these goals, some of which have been underway for many years and are

not included in this work plan or even counted as Partnership activities. Regarding the 2019-2021 work plan, it was suggested that the work plan activities be realistically re-evaluated after one year and any that are not working should be eliminated. Bridget highlighted some of the activities from the 2015-16 work plan that continue to be successful, and said a score card or tracking mechanism would be helpful in seeing overall progress.

It was **MOVED** and **SECONDED** that the 2019-2021 Clean Energy Partnership Work Plan be approved. Motion **CARRIED**.

Drawing upon comments made by EVAC calling for more performance metrics, CM Gordon suggested giving City staff and the Planning Team direction to develop a score card and look at the bigger picture of what is being done to achieve the 2025 goals. He introduced the following motion proposing a comprehensive inventory of emission reduction strategies:

*The Clean Energy Partnership Board directs the Planning Team to develop a comprehensive inventory of all emission reduction strategies, plans and programs that contribute towards achieving the City's emission reduction goals. The inventory should include an estimate of the metric ton reduction and percentage emission reduction goal of each strategy. The inventory should be included in the next CEP annual report and be updated annually.*

CM Gordon clarified that the inventory would include non-Partnership strategies currently underway in the City of Minneapolis. In the ensuing discussion on the scope of the inventory, it was clarified that while at some point it could include corporate and other entities (i.e., General Mills and Aveda who have their own strategies), because of limited staff resources the inventory at the outset would include separate initiatives of the City and utilities and be part of the next annual report. In subsequent years entities like Hennepin County, NRG and the University of Minnesota could be added.

There being no further discussion, it was **MOVED** and **SECONDED** that the motion be approved. Motion **CARRIED**.

## **5. Updates**

- **EVAC Appointments for 2019-2020:** The Planning Team has received 28 applications for 15 positions on EVAC. The Planning Team will make recommendations (based on geographic dispersal, technical expertise, experience working on boards, diversity among communities of color and age) and send them to the Board for an email vote in December. The two-year terms will begin in January 2019. Mayor Frey recognized and thanked EVAC Co-Chairs Abby Finis and Matt Kazinka for their service.
- **City Franchise Fee Increase 2019 Programming:** In his 2019 budget Mayor Frey recommended that all of the funding from the increase in the franchise fee, expected to be \$2.8 million plus general fund dollars, go to the Sustainability office for support and expansion of programs and increased staff support.
- **Q4 2018 Partnership Activities Update** (please see [Handout](#)): Green Business Cost Share Program (City); Energy Tracker and On Bill Loan Repayment Program (CenterPoint Energy); LED Street Lighting and Small Business Refrigeration Program (Xcel Energy).

Kim said the work plan did not touch on data aggregation. The City will be moving forward in Q1 with residential energy disclosures, partnering with realtors through the National Association of Realtors Sustainability Committee. They are interested in making this part of a national model that can be integrated in all multiple listing services, which will be morphed into superregional listing services including Iowa, Nebraska, Kansas, North Dakota, South Dakota, and Wisconsin as well as Minnesota. Specific energy reduction benchmarks will be included, and they are proposing a standard that requires an energy reduction of 20% every five years for all multifamily buildings. CM Gordon said that the ordinance needs to be drafted, and after introduction and approval there will be a public hearing on it in 2019.

Mark Ruff reported that the City recently sold its first green bond associated with its new office building downtown and the Public Works building at 27th and University Avenue Northeast. This is the largest green bond in the state of Minnesota. The City sought and received green bonds verification from Kestrel Verifiers.

## **6. Adjourn**

The meeting was adjourned at 5:55 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](mailto:marsha@castlevisions.com)