

**Minneapolis Clean Energy Partnership
ENERGY VISION ADVISORY COMMITTEE**

Minneapolis City Hall, Room 319

Tuesday, October 9, 2018

4:00 – 6:00 p.m.

Q4 2018 Meeting Notes

Committee members present: Chairs: Abby Finis and Matt Kazinka. Members: Louis Alemayehu, Timothy DenHerder-Thomas, Trevor Drake, John Farrell, Kevin Lewis, Patty O’Keefe, Rebecca Olson, Jamez Staples, Julia Silvis, Shane Stennes, Billy Weber

Committee members excused: Siri Simons

Guests: Mayor Jacob Frey, Katie Jones, John Marshall, Marcus Mills, Jordana Palmer, Adam Pyles, Heidi Ritchie, Lee Samelson, Danielle Shelton Walczak, Michelle Wenderlich

Planning Team/staff present: Sara Barrow, Bridget Dockter, Robin Garwood, Patrick Hanlon, Kim Havey, Luke Hollenkamp, Kennedy Kruchoski, Kelly Muellman, Emma Schoppe, Al Swintek, Marsha Wagner, Karlee Weinmann

1. Welcome and Introductions

Co-chair Matt Kazinka called the meeting of the Energy Vision Advisory Committee (EVAC) to order. Following introductions, Matt introduced several guests from the Clean Energy Partnership (CEP) Board who made brief remarks. Minneapolis Mayor Jacob Frey extended his thanks to EVAC members for their service and excellent work. He said cities are the best place to tackle climate change issues, and vowed to budget the full franchise fee increase directly towards climate change activities. John Marshall, Director of Community Relations with Xcel Energy (Xcel), echoed the Mayor’s remarks, adding that he appreciates the time, passion and dedication EVAC members put into this Partnership. Adam Pyles, Director of Regulatory Affairs with CenterPoint Energy (CenterPoint), acknowledged the difficult work EVAC is doing to bring ideas into this process to help transform how energy is delivered in this community. He said CenterPoint is interested in innovative solutions to problems that have been around for a long time, welcomes input from EVAC members, and appreciates the work that is being done.

2. Review and Approval of Agenda and Q3 2018 Minutes

There being no changes to the agenda, it was MOVED and SECONDED that the agenda for the meeting be approved. Motion CARRIED. There being no changes or additions to the Q3 2018 minutes, it was MOVED and SECONDED that the minutes from July 16, 2018 be approved. Motion CARRIED.

3. Proposed Work Plan Activities Review and Discussion

Co-chair Abby Finis reported that several EVAC members met to discuss what characteristics and priorities they would like to see included in the work plan. Although not all EVAC members were able to attend, there was good consensus around the following “NEED to have” criteria for

how to present the activities (to aid with evaluation) [Planning Team response in italics following each item]:

- All activities should have metrics, tied to overall GHG savings, Climate Action Plan and Energy Vision. *Included*
- Every activity should have one or more specified outcomes, tied to CAP and Energy Vision, some of which should be related to equity and workforce development. *Included*
- If an activity is not highly ambitious, then the proposal should identify how the activity gets us to the next step towards highly ambitious activities. *Included*
- All activities should have defined audiences and geographies. (Note: utilities are required to provide equitable service to full customer base; pilots are one strategy to address this.) *Included*

EVAC members also said the following “NEED to have” criteria should be reflected in the final overall package of work plan activities:

- Energy efficiency should be a major component of the package. *Included*
- Package should expect to generate significant energy and cost savings for residents and businesses, with a focus on marginalized energy users. *Activities in Green Zones and Pilot programs*
- Package should be balanced by customer sector. *Included*
- Package should be balanced by energy type (e.g., electricity, natural gas, transportation). *Discuss*
- Activities should not be in conflict with utility regulatory requirements. *None*
- Activities should leverage community engagement practices (previously developed by EVAC and the CEP) and new opportunities where applicable. *Will inform engagement strategies in Green Zones and high residential natural gas users.*
- The work plan term should be sized appropriately to facilitate the best progress, with consideration to EVAC terms and associated opportunity for input. *Noted*

Using these criteria the Planning Team is developing a template in which to place each work plan activity. The template shows how the criteria align with activities, and how an activity shows progress towards the 2025 greenhouse gas (GHG) emissions gap. Although not included in the “NEED to have criteria,” EVAC would also like to see a pathway for utility transformation and collaboration between the Partners that reflects ambition.

Draft work plan Partnership Activities were distributed to EVAC members prior to the meeting. They included five energy efficiency activities, three renewable energy activities, and one inclusionary financing activity with two versions (one from the City and one from CenterPoint). [PPT slide 8] In the ensuing discussion, the following questions and points were raised:

- While workforce is included as one of the anticipated impacts in the performance metric template and is recommended as being a screening tool in each activity, there is not a specific Partnership Activity around workforce development. The workforce landscape assessment, which will answer some questions and make recommendations around workforce development, has not yet been undertaken; the City hopes to have selected a consultant by early November. In some of the proposed Partnership Activities that are large scale items (i.e., RE.2-achieving 100% renewable electricity and RE.3-community solar gardens) there could be an opportunity for workforce participation as a community-wide goal. The Planning

Team will take a second look at the activities to see where they could include stated goals around workforce development, giving consideration to findings of the analysis, and qualitative versus quantitative metrics regarding the types of jobs that would be required. Workforce development should be listed among the “NEED to have” criteria.

- EVAC has had previous discussions about tracking metrics against goals. The template contains framing around progress toward the 2025 GHG emissions gap, but it would be helpful to have an explanation of what that means in addition to comparisons to something more tangible. Luke explained that the Planning Team has developed visuals that all Partners had yet to agree upon prior to the EVAC meeting, but they hope to have a visual showing tangible impact for the CEP Board meeting in November. Regarding the GHG emissions “gap”, the Climate Action Plan (CAP) calls for certain emission reductions by electricity (45% reduction) and natural gas (12% reduction) by 2025, and a gap remains as of 2016. That gap is what is referenced in the template; for example, in EE.1-reducing natural gas use for residential customers, it indicates that what will be achieved is 9% of the remaining “gap”. It was suggested that having more reference points would be helpful. The Planning Team will re-examine metrics in Spring 2019 for its annual reporting, which will better align with what is being tracked through the work plan Partnership Activities.
- Overall reaction to the template, reporting and use of metrics was positive. It was suggested that a key be included in the final work plan. The way the metrics are laid out provides a great tool for ongoing evaluation of the work plan, and provides a good platform for future EVAC groups.
- It was noted that the work plan activities fall short of closing the 2025 GHG emissions reduction gap. There is progress being made toward closing the gap (i.e., Xcel’s LED streetlights and planned generation mix changes) which are not represented in the draft Partnership Activities. The CAP utilized specific modeling for 2025 (30% reduction) but not for the 2050 goal (80% reduction). The current work plan will not achieve the CAP goals alone, but there are other activities being supported by the franchise fee, conservation improvement program (CIP) dollars, and other programs from individual Partners. Work that must be done on the transportation sector, like reducing car trips in the City by 37%, will help. These activities are a positive movement forward in reaching the 2025 goals. It was suggested that a bullet list of potential collaboration activities be included in the work plan. Luke clarified that this list has been intended but was not included for this presentation to EVAC. The list will be called “Potential Collaboration Activities” in the adopted version of the work plan.
- Activities that are not set up to reach specific goals in the next two-year work plan should be considered in light of what could be done to improve their reach going forward. It was suggested that the point of the Partnership is to go further and faster on climate change than we would absent the Partnership, which portends both to the gap but also the ambition of the work relevant to what other municipalities are doing around the nation. The Partnership could also play a role in catalyzing and seeding future innovation efforts by other entities in spaces where there are gaps.
- Analysis should be done on the lack of qualified workers, identifying obstacles, recruitment efforts and the impact/lack of public transit. Strategies to solve this issue must be identified. Franchise fee funds should be sought to analyze the rapidly-changing workforce on an ongoing basis. We could use some of these resources for the purpose of helping educate children through our school system, and let them know that new jobs are in the energy sector.

- There was consensus that workforce development should be its own topic, and that funds be allocated to the right activities. The City is the logical partner to push for workforce development activities with goals around equity and developing the workforce; it can leverage the degree to which things are being done at the city enterprise, it has a relationship with the schools and the pipeline of workers, and has Green Zone designations to identify where we want to do this work. This is a big systemic need in terms of supply of workers.
- There are nine Partnership Activities in the proposed work plan, but rather than spreading resources thin the Partnership could focus and direct more resources on one or two big things that would have a big impact and hit all of the areas (i.e., emissions, workforce development, economic, reducing the energy burden for low-income households) and hit goals of the City and utilities. It is important to keep in mind the CEP Board's priority that work plan activities should be something that would not occur absent this Partnership.
- Regarding EE.4-carbon capture technology, it would be helpful to get an articulation of what that is intended to go toward, and given that the pilot is small what is the desired scope if it works. On the template, it was noted that the impact on the energy disclosure was "n/a." Luke clarified that the reason it is "n/a" is that the tools themselves are not saving energy, but they are enabling tools for the policies.
- There was concern about the approach used for RE.3-community solar gardens. It is great to be able to use grant dollars to further subsidize community solar, but would like to see how this can equip and propel the development of more accessible community solar across the city. Because it is using RDF grant dollars it sets up a situation where in terms of public perception it is more difficult to get further projects that have less impact in terms of savings but have value to a much larger number of people over a long-term and ongoing basis.
- Going forward it might be most helpful for EVAC to discuss and set work plan priorities upfront and for staff to develop activities in response.
- The Partnership needs to be clearer about opportunities to scale up these projects to lead to more ambitious projects, and what they seed or start to develop. Scaling-up of activities that will help reach GHG goals in the CAP is not captured or reflected in this work plan. One example is inclusive financing, and how it might feed into other activities to amplify the impact.

Abby summarized the higher-level feedback:

- Structure of the work plan: key, principles up front, strategies incorporated, and metrics tied to something so the impact versus goals can be seen on each item.
- Identifying the gaps.
- Workforce development: Add a workforce activity and utilize all the resources including the current study that is about addressing the amount of work that needs to be done to fill the gap/shortage. Workforce development should be a specific component in some activities.
- Innovation: If this is a two- or three-year work plan, identifying where there is room for different things that come up during that time period that would allow the Partnership to push the envelope.

On the topic of IF.1-inclusive financing, Matt explained that there were two proposals on this activity. CenterPoint's proposal is primarily to pilot an inclusive financing project. The City's

proposal is to pilot and then launch a full program. Emma said that CenterPoint is on the same page as the City, and is considering new language beyond its initial proposal that clarifies the Partners' commitment to this activity. There are still many questions and unknowns regarding what it might look like, and they are considering that the pilot project would be a longer-term activity. CenterPoint invites interested EVAC members to engage in discussions about inclusive financing in upcoming meetings. Luke said a lot of progress has been made since the two proposals were distributed last week, and what comes out of the feasibility study is one piece of the puzzle. It will show what is possible or economically advantageous, but it will also identify ways that we can provide resources to close any gaps that may exist in financing. The City is confident that inclusive financing is a needed tool, and that the finances can work with collective resources like increasing the rebate amount on particular measures or using franchise fee money to buy down the interest rate.

Following discussion of the proposed work plan activities, EVAC members broke into small groups to craft language that would be forwarded to the CEP Board about what EVAC would like to see included in the work plan. After additional discussion and wordsmithing by the large group, the following recommendations were proposed by EVAC:

1. Proposed Work Plan activities should demonstrate a greater level of ambition and innovation, in consideration of achieving GHG reductions. Activities that are a pilot or one-time project should have a clear purpose that leads to larger scale impacts over time.
2. Partners should adopt a net new activity—"WD.1"—to collaborate with educational institutions (high schools, trade schools, community colleges, etc.) to develop clean energy job training programs, and job pipelines.
3. Structure and Metrics Motion
 - a. A key for the metrics should be included
 - b. Should include the EVAC criteria and Board criteria for work plan items
 - c. Performance metrics in the anticipated impact table for each work plan item should include a description (for example what does the number of participants mean—households? Individuals?)
 - d. Request that the work plan include a wedge chart showing:
 - i. The GHG trajectory that we need to hit vs. the GHG trajectory we are on now
 - ii. How does each item contribute to getting from here to there
 - iii. How do other activities of Partners in Minneapolis (Collaboration activities) contribute to these reductions
 - iv. What "outside forces" (state policy, market conditions, etc) contribute to getting to these reductions
 - e. Include in impact table for each work plan item how annual impact correlates to an existing target (fuel use, GHG reductions, participation, workforce)
 - f. Each work plan item needs to define its ambitiousness in terms of:
 - i. Will this close the 2025 GHG gap? How much?

- ii. Does it go further, faster in comparison to other municipalities across the US (Portland index)
 - iii. Actions that need to happen but existing market actors are not addressing
 - iv. How will this work in connection with non-Partnership activities to amplify complementary efforts to achieve the above ambitions
- g. List relevant collaboration activities for each work plan activity

Clarification was made that “relevant collaboration activities” refers to things that are potential collaboration activities, not how the Partners will collaborate on activities. It was MOVED and SECONDED that the EVAC recommendations be approved. Motion CARRIED.

4. Current Work Plan Activity Updates

Due to a lack of time during the meeting, EVAC members were encouraged to read updates on the following projects in the handout provided:

- On Bill Loan Repayment – CenterPoint Energy
- Energy Data Aggregation Tool – CenterPoint Energy
- Small Business Refrigeration – Xcel Energy
- LED Streetlights – Xcel Energy and City
- Green Business Cost Share – City

5. Updates and Announcements

- EVAC applications for the next two-year term are due on October 31. EVAC members were invited to reapply and to recruit other people to apply. Abby and Matt were recognized and thanked for their service as co-chairs for the past two years.
- The next CEP Board meeting will be held on Thursday, November 8, 3:00-5:00 pm, at Minneapolis Central Library Room S-275.

The meeting was adjourned at 6:08 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:

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