

**Minneapolis Clean Energy Partnership
ENERGY VISION ADVISORY COMMITTEE**
Minneapolis City Hall, Room 319
Wednesday, January 23, 2019
4:00 – 6:30 p.m.

Q1 2019 Meeting Notes

Committee members present: Chair: Rebecca Olson. Members: Robert Blake, Margaret Cherne-Hendrick, Rick Dallmeyer, Timothy DenHerder-Thomas, Andrew Fang, John Farrell, Leah Hiniker, Matt Kazinka, Mauricio Leon, Patty O'Keefe, Julie Samuelson, Jamez Staples, Elizabeth Turner, Ansha Zaman

Committee members excused: None

Guests: Eric Bartz, Alyssa Erickson, Katie Jones, Michael Krause, Marcus Mills, Lee Samelson, Björgvin Saevarsson, Brian Schaffer, Isaac Smith, Michelle Wenderlich

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

1. Welcome and Introductions

Chair Rebecca Olson called the meeting of the Energy Vision Advisory Committee (EVAC) to order. Following introduction of Planning Team members, returning and new EVAC members were invited to introduce themselves to the group.

2. Review and Approval of Agenda and Q4 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 Q4 2018 minutes, it was MOVED and SECONDED that the minutes from October 9, 2018 be approved. Motion CARRIED.

3. Election of Second EVAC Co-Chair

The Board appointed Rebecca Olson to be one of two EVAC Co-Chairs. Becky invited nominations to be brought forward for the EVAC-elected co-chair. Matt Kazinka nominated Patty O'Keefe, and she accepted the nomination. There being no other nominations, it was MOVED and SECONDED that Patty O'Keefe be approved as Co-Chair. Motion CARRIED.

4. Residential Energy Disclosure Policy Letter of Support

In a pre-meeting session, Karlee Weinmann and Robin Garwood explained that Council Members Jeremy Schroeder and Cam Gordon have introduced ordinances containing three proposed residential energy disclosure policies that the City is considering passing. The following discussion occurred at the pre-meeting:

The current proposal contains provisions that any Home Energy Squad (HES) visit that was conducted two years prior to the sale of a home would exempt some measures; the City is considering an amendment to extend that to five years. There was some discussion about the increased cost for Truth in Sale of Housing (TISH) inspections if these ordinances are passed. The major cost would be for blower door equipment itself (a \$3,500 investment), and the increased time it would take to set that up and do an analysis. Concern was expressed that there was no framework to cap price should these inspections be mandated. Higher demand could have a negative impact on consumers, both in terms of scheduling and increased costs to home sellers, who bear the cost of inspections. Currently HES visits are scheduling several months out. The Center for Energy and Environment (CEE), which provides HES visits, is hiring and training additional inspectors. CEE does up to 1,000 HES visits per year in Minneapolis, and in a typical year more than 4,000 houses in the City are listed for sale.

Referencing the [handout](#) from that meeting, Matt said that previous cohorts of EVAC discussed and worked on these types of policies over the past few years, and have supported them as an activity in the current 2019-2021 Work Plan. EVAC wrote a letter to City Council members in strong support of these policies and encouraged Council to adopt them. EVAC recommended language be added “that [the City] will utilize low or no cost resources to” help the City meet its adopted energy vision, reflecting that the new requirements would not necessarily have a high cost to them or place a burden upon property owners or renters. [See Appendix A, attached, and in meeting materials on the CEP website.]

There being no other changes or additions, it was MOVED and SECONDED that the letter as amended be approved. Motion CARRIED.

5. Minneapolis Energy and GHG Emissions Snapshot

Luke Hollenkamp, Minneapolis Sustainability office, introduced an orientation for new EVAC members. [[PowerPoint](#) Slides 8-10] The City, CenterPoint Energy, Xcel Energy, and their respective staff on the Planning Team, along with EVAC members and members of the public, all share an energy vision of greenhouse gas (GHG) emissions reductions. The City does an annual inventory, using 2006 as a baseline, tracking GHG emissions from electricity and natural gas consumption, on-road transportation, solid waste and wastewater. Its Climate Action Plan (CAP) contains targets to reduce GHG emissions by 15% by 2015 (which was met), 30% by 2025, and 80% by 2050. Most of the reductions have come from a greener, cleaner electricity grid, while the other sectors have remained relatively constant. (Due to multiple sources and challenges in pulling the information together and verifying it, data presented was through 2016; in the next annual report the data will be updated to 2017 numbers.) The majority of the emissions come from the commercial/industrial buildings sector. A disclosure ordinance already exists for commercial buildings 50,000 square feet and larger. Katie Jones, CEE, said that there are 400 buildings of that size in the City, and they account for between 15% and 17% of the City’s GHG emissions.

6. Clean Energy Partnership Basics and EVAC Charter Overview

With nine of the fifteen EVAC members being new appointees, Planning Team members provided some basic information and background on the Clean Energy Partnership and its work since its inception in 2015. Bridget Dockter, Xcel Energy, continued the orientation by explaining the origins of the Partnership, how it operates and how EVAC members fit into the energy vision. [Slides 12-15] Bridget began by inviting new EVAC members with questions about utility programs and initiatives to contact Emma Schoppe and herself.

Minneapolis passed its CAP, which included GHG emission reduction goals, in 2013. In 2018 the City passed 100% Renewable Electricity goals. During this time, the city's franchise agreements were up for renewal and it wanted to incorporate its new goals into its future planning. Minneapolis Energy Options undertook a campaign to engage the community. The city hired the Center for Energy and Environment (CEE) to perform a *Minneapolis Pathways Study*. The study looked at different options for the City to consider in order to reach their CAP and Energy Vision 2040 goals. A recommended option was to establish a CEP, which all parties agreed to in October 2014 and became effective on January 1, 2015. For reference, the CEP [website](#) contains background, the franchise agreements, the Memorandums of Understanding signed by the Partners, the record of all meetings, work plans, annual reports and other documents.

The CEP is comprised of eight Board members (Mayor, City Coordinator or designee, two City Council members, and two high-level representatives from each of the utilities), Planning Team (staff from the City, Xcel Energy and CenterPoint Energy), and EVAC (15 community representatives). The Board is the only official voting and approval body of the Partnership. The Planning Team handles the everyday planning and implementation, and EVAC members serve in an advisory capacity.

The goals of the Partnership are to increase energy efficiency and renewable energy through developing a strong city-utility collaboration. Strategies for doing that include community and stakeholder engagement, data and information, and policy levers.

Emma Schoppe, CenterPoint Energy, provided an overview of the Partnership's recent accomplishments as highlighted in the 2017 Annual Report. In 2017 the City acquired new funding for nine new and expanded climate and energy programs through its franchise fee increase. The Partners teamed up to pilot on a community-level engagement project to identify energy efficiency barriers and benefits to under-resourced and hard-to-reach communities. The utilities kicked off several new Partnership-initiated tools or programs: CenterPoint Energy's On-Bill Loan Repayment and Energy Data Aggregation; Xcel Energy's Small Business Refrigeration Program. In 2017 the utilities' Conservation Improvement Programs (CIP) spent \$18 million in Minneapolis. It is estimated that this saved customers approximately \$12 million on the first year of their energy bills, avoiding approximately 96,660 MT CO₂e in GHG emissions. [For more details on CIP and other programs see Slides 22-23.]

The Partnership spent 2018 implementing activities in its 2017-2018 Work Plan along with developing the 2019-2021 Work Plan. The current work plan is comprised of Partnership activities that will be undertaken over the next three years. At its quarterly meeting in March

2018 the Board established priorities. Over the next several months the Planning Team drafted and honed proposed activities, with EVAC reviewing and submitting feedback at several milestones. [Slide 17] The CEP Board approved 10 activities at its Q4 meeting on November 8. Emma invited EVAC members to review the current work plan and follow-up with Planning Team members regarding specific questions.

There are several additional opportunities for EVAC members to engage in the near future:

- On February 4, 1:30 pm, the City's Public Health, Environment, Civil Rights, and Engagement Committee will conduct Energy Disclosure Public Hearings in City Council Chambers. The City welcomes EVAC members to provide support in person or by writing to Council Members. The EVAC letter approved at this meeting will be forwarded to the CEP Board and City Council members prior to the meeting.
- EVAC members can also opt to join the Residential Energy Efficiency Research & Engagement Advisory Group [EE.1] or the Inclusive Financing Work Group [IF.1]. Details on these programs can be found in the work plan. Anyone interested in joining these work groups should contact Emma.
- The City is in the process of conducting a workforce assessment. Anyone interested in learning more about the Workforce Development Stakeholder Taskforce [WD.1] should contact Luke.

Emma referenced and reviewed the EVAC [Charter](#), which provides background on how the Committee was developed along with some logistical information. EVAC is charged with reviewing and providing feedback on the work plan along with measurement and performance reports, providing feedback on special initiatives as requested by the Board, and communicating to members' respective constituencies about EVAC and Board decision and activities. EVAC membership consists of a diverse group representing 14 areas of interest in the community related to energy and climate. On behalf of the CEP Board and Planning Team, Emma thanked EVAC members for participating, adding that they are a valuable resource on the front lines of the important work being done by the Partnership.

Bridget asked if EVAC members were ok distributing and sharing with the group a list containing names and email addresses of fellow EVAC members. Members agreed this would be a good idea. To clarify which email address should be on record, a sheet was circulated for each EVAC member to provide their preferred contact information.

An EVAC member had the following questions/requests for the Planning Team:

- He would like to see a similar review of the City's Energy Vision in a future meeting. It was a solid guiding document and adds a lot of depth and context to the outcomes EVAC wants to advance.
- At the Q4 2018 meeting there was discussion about fleshing out the Partnership metrics and how work plan items will be measured. Some of that is in the work plan, but is there a further development process? When will EVAC receive an update on more of the metrics or measurement of progress? Luke replied that the Planning Team has been focused on content for this meeting, but discussing this topic is next on the Planning Team's internal itinerary.
- Previous work plans have been for two years, but there has been discussion at EVAC meetings about openness to moving toward a three-year work plan. The current one is

described as a 2019-2021 work plan. How does that tie into the two-year terms of EVAC members and their ability to shape future work plans? Emma affirmed that EVAC members serve a two-year term and this work plan covers three years. That decision was based on the activities put forward in the work plan as some of them needed more time to get started and implemented. The three-year term seemed to mesh better with the currently proposed activities as well as coordination and alignment with the utilities' CIPs, which are on a tri-annual planning process. Bridget added that as far as the two-year terms for EVAC members, there is no cap on the number of terms a member can serve so they are welcome to reapply for reappointment at the end of the term.

EVAC will meet three more times in 2019, once in each quarter. Doodle polls will be circulated by email to determine the dates of the remaining quarterly meetings in 2019. EVAC members with other scheduling priorities known to them at this time were asked to send those to the Planning Team. Patty O'Keefe added that in addition to the quarterly meetings, there are also EVAC work groups that meet to move forward work around specific priorities. Those are scheduled by whoever is convening that group, also using Doodle poll.

7. Franchise Fee Increase-Enabled Programming

a. 2018 Programming – Overview and Results

Luke said that due to the great help of EVAC the City increased the franchise fee, which is paid on utility bills by customers in Minneapolis. In late 2017 the City passed an ordinance to incrementally increase the franchise fee payment by 0.5 percentage points with the understanding that the funds would go to new and expanded climate and energy programs. The franchise fee increase took effect in early 2018, and the City collected it for a partial year (approximately eight months). The funding was used for programming that was implemented in 2018, and many of the programs were designed with the help of EVAC and match actual recommendations that previously came from EVAC. Ultimately all of the projects amounted to \$989,000 in franchise fee increase spending.

Referencing the [handout](#), Luke presented and gave some background on the 2018 Franchise Fee Increase-Enabled Programming in three areas: residential sector, commercial and industrial sector, and city enterprise capacity-building. Some of this programming will be continued in 2019. Patrick Hanlon, the City's Director of Environmental Programs, talked about Green Cost Share programs, including Lead & Healthy Homes and MFBE & 4D Pilot in the residential sector. [Slides 25-35 (Credit: Meet Minneapolis)]

Luke reported some lessons learned from the 2018 franchise fee increase-enabled programming:

- Robust engagement in early 2017 helped create this comprehensive programming and built momentum to harness in years to come
- Three-plus months of engagement for a 12-month program cycle meant programs began late
- Partial year data from 2018 is difficult to extrapolate to full year results (2019 will provide that)
- Important for programs to leverage existing city, community and utility resources

- Balance innovative and existing programs to minimize administrative time and cost

b. 2019 Programming – Review Plan and Discuss

Kim Havey, Minneapolis Sustainability Office, introduced the 2019 Franchise Fee Increase-Enabled Programming proposed by City staff. [See [handout](#) for details.] The overall plan to move things forward and get the greatest impact possible in 2019, being that the City is operating under a one-year budget cycle, is to:

- Make minimal alterations to begin programs earlier in the year for full-year results and maximum impact (i.e., HES visits)
- Move forward programs showing success
- Leverage existing City programs, resources and staff
- Leverage special grants, programs, and matching funding
- Lead with innovative opportunities with key City partners to pursue long term CAP goals

With a full year of franchise fee money to work with (approximately \$2,780,000 in total) some of the programs introduced in 2018 will continue in 2019, many of them with increased funding. [Slides 39-40] Several new programs are proposed to be introduced in 2019. [Slides 42-47] They include:

- Passive House Initiatives (\$335,000 for this and the following Passive House Pilot) – Partner with affordable housing developers and CPED's *Minneapolis Homes Development Assistance* program, which focuses on developing 1-4 unit homes on City-owned vacant lots within Minneapolis. Additional franchise fee funding will be used to take these homes from their current energy code standards to passive energy homes, which means an 80% energy reduction, and 100% electric. These will be extremely close to net zero energy ready. Currently the City provides up to \$70,000 in gap financing between the appraised value of the home and the cost to build it. The City will add an additional amount, possibly in the \$25,000-\$30,000 per building range, to get six to ten 1-4 unit homes built on these vacant lots.
- Passive House Pilot – Partner with the Minneapolis Public Housing Authority (MPHA) on construction of ultra-energy efficient 4-unit and 2-unit passive homes on two existing MPHA owned sites. The units will be designed for very low-income families (30% of AMI or below) with project-based subsidies. This is an opportunity to advance building design and technologies in the public housing sphere, and serve as a learning lab for the City and MPHA. Projects will be 80% more efficient than code, will be 100% electric, and will be zero energy ready.
- REALIZE Public Housing Net Zero Retrofit (\$175,000) – The Rocky Mountain Institute, in a program with Net Zero Energy Coalition, sought two cities with a partner agency to focus on a new concept coming out of Europe which involves taking manufactured housing techniques (like building highly insulated walls in factories) to do deep energy retrofits. It is akin to bringing net zero energy standards in a couple of days once the panels are manufactured. Minneapolis and Boston were the two cities selected through a national RFP process. Minneapolis is partnering with MPHA to show that deep energy retrofits can be done on any building and will hopefully be able to scale it up to do 40 buildings within the next two years. [For more information and to see videos of the process: [Energie Sprong](#)]

- Integrated Utility Hub (IUH) Feasibility Study (\$100,000) – This technical and financial study of the IUH will detail the environmental, social and economic performance outputs when solid waste and waste-plus-storm water are managed in a synergistic and closed loop system to create energy and heat for the heating, cooling and energy needs of a particular district or area. This particular project has been researched for some time, and IUH has been included in the Upper Harbor Terminal Core Concept plan.
- Three New Staff Positions in Sustainability Division (\$270,000) – One FTE for a climate and energy regulatory policy (“PUC”) position utilizing McKnight Foundation first-year match, and two FTEs to enhance outreach and program development in energy benchmarking and building policy (identified in 2018 for 2019 funding).
- CEP Comprehensive Emissions Reduction Inventory (\$50,000) – At the Q4 CEP Board meeting they passed a resolution to look at all of the initiatives (not just Partnership activities) around carbon reduction, and determine and understand the gap that stills needs to be filled in order to achieve carbon reduction goals.

A brief discussion period followed introduction of the 2019 franchise fee increase-enabled programming plan and the following EVAC comments were made:

- Regarding Passive House projects, it seems like a lot of money for a small number of houses. Hopefully the energy savings pilot projects will lead to that cost coming down at scale. Will an analysis be conducted during the project?
Response: Yes, and they would like to be able to produce a white paper on each of the houses describing the difficulties, the cost barriers and how they can be reduced. It is meant to spur interest in this area.
- In terms of workforce there is no program or strategy in place since the assessment has not yet been completed, but still \$100,000 does not seem like very much in terms of being able to get something big accomplished this year. While \$100,000 is quadruple what was allocated last year, it was noted that the EVAC request in 2018 was for much more than \$25,000.
Response: The Partnership is committed to workforce development, but until the assessment is completed no specific plan will be put in place.
- A process question was asked about EVAC’s role in the proposed 2019 franchise fee increase-enabled programming. Last year EVAC had a substantial role in shaping and structuring the franchise fee increase-enabled programming, and much of what is being proposed for 2019 seem to be very direct continuations and expansions of those things. While some really good ideas have been presented here, it feels like EVAC has not been involved in the discussion. Recognizing that there are many new EVAC members, and that the City does not want to delay getting programs off the ground in 2019, it is important to make sure that EVAC has an opportunity to be involved in meaningful dialogue and planning to help shape how this works. What is the expectation of EVAC in relation to the proposal, and can EVAC have an opportunity to identify what that role should look like?
Response: The City’s Sustainability Office is under a very strict budget timeline constraint, and they want to be able to move these projects forward. They are looking for feedback and engagement on these programs, but at this point they are not looking to have EVAC put together a process to be able to develop new programs and plans in 2019. That sort of involvement would have to be planned out a year in advance of the franchise fee funding.

One difficulty is that the amount of franchise fee funding available for the following year is not known until the December of the year before.

- As far as process goes, to find out on the day on which EVAC is being asked to have a motion to support the staff plan for 2019 programming does not reflect the ability of EVAC to provide some good feedback. In this calendar year we should plan for that for 2020 franchise fee programming.

Response: Now that we have two EVAC co-chairs, the Planning Team can begin discussing with them how to develop a process for that moving forward.

Becky invited EVAC members to submit their feedback to Luke, who will forward it to the rest of the Planning Team for consideration. If necessary, groups could be convened on specific topics during implementation, so EVAC members with specific interests should also include that information in their emails. A request was made to put all of the suggestions in a single document and make it available so that other EVAC members can review and interact with the suggestions.

The meeting was adjourned at 6:36 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

APPENDIX A

From: The Energy Vision Advisory Committee of the Minneapolis Clean Energy Partnership (CEP)

To: City of Minneapolis CEP Board Members (Mayor Frey, Council Member Gordon, Council Member Schroeder, Council Member Fletcher, and Mark Ruff)

Cc: Minneapolis City Council, City of Minneapolis Sustainability Division

Date: January 23, 2019

The Energy Vision Advisory Committee (EVAC) writes in support of the proposed amendments to City ordinances that would enable residential energy disclosure. We believe these policy amendments are necessary and important tools that will utilize low- and no-cost resources to help the City meet its adopted energy vision, as well as its climate and environmental justice goals. These policies will empower Minneapolis residents to understand how much their utility bills will cost as they choose where to live, and incentivize energy efficiency that will save money and reduce carbon emissions. As the City deepens its work to improve housing affordability and address equity, it is critical that all residents understand energy costs regardless of their homeowner/renter status or the type of property they live in.

The Clean Energy Partnership Board adopted the 2019-2021 Work Plan last November, which included Partnership Activity EE.5 to “support residential energy disclosure policies through data accessibility and tools.” A key component of this activity is the City adopting the proposed residential energy disclosure policies in early 2019. We strongly support the 2019-2021 Work Plan, the inclusion of this Partnership Activity EE.5, and the passage of these valuable policies by the City.

EVAC encourages the City of Minneapolis CEP Board members, and the entirety of the City Council, to support these energy disclosure policies.

Sincerely,

The Energy Vision Advisory Committee