Minneapolis Clean Energy Partnership
BOARD MEETING
Doty Board Room, Minneapolis Central Library
Monday, March 25, 2019
2:00 – 4:00 p.m.

2019 Q1 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; Amber Lee from CenterPoint Energy; Bria Shea and John Marshall from Xcel Energy.

Board members excused: Todd Berreman, Brad Tutunjian

Planning Team present: Sara Barrow, Bridget Dockter, Robin Garwood, Patrick Hanlon, Kim Havey, Luke Hollenkamp, Kennedy Kruchoski, Heidi Ritchie, Emma Schoppe, Al Swintek, Karlee Weinmann, David Zaffrann

Guests/Staff present: Carter Dedolph, Chris Duffrin, Matt Kazinka, Michael Krause, Nick Mark, Stacy Miller, Kelly Muellman, Becky Olson, Lee Samelson, Jamez Staples, Mary Timm, Timothy Denherder-Thomas, Michelle Wenderlich, Ansha Zaman

1. Welcome and Introductions

Mayor Jacob Frey called the meeting to order at 2:00 p.m. Mayor Frey invited Clean Energy Partnership (CEP) Board Members, staff and guests to introduce themselves. He then asked the two new Board members to say more about their background. Bria Shea is the director of Xcel Energy's Regulatory Department, working largely on integrated resource and distribution planning efforts. She has been with Xcel Energy for ten years. Amber Lee is the director of CenterPoint Energy's Regulatory Affairs, and works on legislative and regulatory initiatives. Prior to working at CenterPoint Energy, she worked for Minnesota Energy Resources Corporation, and prior to that was in private practice as an attorney in utility law.

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 Q4 CEP Board Meeting. It was MOVED and SECONDED that the agenda for March 25, 2019 be approved. Motion CARRIED. It was MOVED and SECONDED that the minutes from November 8, 2018 be approved. Motion CARRIED.

3. EVAC 2019-2020 Appointments and Co-Chair Updates

Bridget Dockter provided background on the election process for Energy Vision Advisory Committee (EVAC) members. The Planning Team actively sought a diverse group of applicants in terms of race, gender and age, representing many interests of the community related to energy and climate. (See PPT Presentation, Slide 4.) Between September and December 2018, the Planning Team received thirty applications for the fifteen available positions. Eight applications were from current members, and six of those were accepted based on their contributions to

EVAC, tenure, attendance, and the interest that they represented. The new applicants were considered based on their representative diversity in areas of expertise and their identified interests in the EVAC charter itself. The Planning Team then reviewed the cohort as a whole to ensure that it was representative of the diversity of Minneapolis as much as possible. The CEP Board approved the Planning Team's recommendation for 2019-2020 EVAC via email in December 2018 (See PPT, slide 6). The CEP Board appointed Becky Olson as one of the co-chairs. At the Q1 2019 EVAC meeting the members elected Patty O'Keefe as the other co-chair.

Mayor Frey asked Becky Olson to introduce herself. Becky has been a resident of Minneapolis for twenty years, and an EVAC member since January 2017. Currently, she is Director of Residential Programs at the Center for Energy and Environment, and previously held positions in residential energy efficiency in the Twins Cities metro area. She is also a former president and board member of the Minnesota Building Performance Association (BPA) and recently completed a five-year term as chair of the BPA National Standards Technical Committee. Becky applauded the Planning Team and Board for the cohort they selected, meeting goals of racial and gender diversity as well as a diversity of skill sets.

At the 2019 Q1 EVAC meeting held on January 23, new members were welcomed and given a Minneapolis energy and greenhouse gas emissions snapshot, the CEP and EVAC basics as well as EVAC charter review. Prior to the meeting a presentation was given by City Council member aides on the proposed residential energy disclosure ordinance, and EVAC approved submitting a letter of support to the Council Committee. The bulk of the meeting was a presentation by City staff on the 2019 franchise fee increase budget allocations, which led to a brief discussion about EVAC's role in franchise fee increase budget planning and any input they could make for this and subsequent years.

Council Member Cam Gordon said that the gender balance improved significantly at this CEP Board meeting, but reading the names of EVAC members thought it was still slightly male-dominated. He asked if the Planning Team had a breakdown of members by race or ethnicity; the Planning Team responded that they do not have that breakdown at this point. Applicants were invited to complete an optional demographic worksheet, but very few did so. Luke Hollenkamp invited Board members to attend future EVAC meetings to get a better sense of the makeup of the group. Regarding the cohort, Council Member Steve Fletcher noted that it still lacks a representative from organized labor.

4. 2019 Plan for City Franchise Fee Increase-Enabled Programming

Kim Havey provided an overview of the 2019 franchise fee increase-enabled programming. Program funding increased from $989,000 in 2018, the first partial year of funding, to $2.78 million in 2019. The following programs that were developed in 2018 continue to grow and demonstrate success, and require additional 2019 funding:

- Landlord Engagement in Green Zones – Working with Guardian Management and a consultant to do direct outreach to small- and medium-sized property owners (2- to 20-unit buildings) and being engaged with them on how we can help with energy efficiency (EE). More than fifty landlords from diverse backgrounds were engaged in the second half of 2018 and many have committed to an energy assessment.

- Free Home Energy Squad (HES) Visits and 0% financing for residential EE and renewable energy (RE) projects – In the second half of 2018 the City deployed a $500 social media campaign, which helped lead to 500 HES visits being scheduled in the last three months of 2018, resulting in a lengthy waitlist. The 0% Financing program has also been successful - there is a 5-to-1 leverage on the capital invested based on how much the City puts into the buydown. On average the City is paying about $2,000 in interest rate buydowns for participants to access 0% financing. In 2019, $200,000 is allocated to these programs. In the future, 0% financing will align with CenterPoint Energy's on-bill loan repayment program expected to launch mid-2019.
- Green Cost Share (Housing) – Managed by Patrick Hanlon and the City's Department of Health, this program works with the City's 4D Program to maintain housing affordability and leverage other funding like Lead and Healthy Homes. The City can rebate up to 90% of the cost of energy efficiency projects for property owners in the 4D program in conjunction with utility conservation programs.
- Green Cost Share (Business) – This extremely successful program is currently oversubscribed with over $1.2 million in 2019 applications for a wide range of energy efficiency and pollution reduction programs. $825,000 has been committed to Green Cost Share funding, in addition to funding from other programs like pollution control.
- Workforce Assessment Recommendations – A workforce study was recently completed and a final report is expected soon. In 2019, $100,000 is dedicated to workforce development. Approximately, $50,000 is allocated to clean energy training and educational programs for young people (high school level). The remaining funds will be allocated to areas recommended by the Workforce study.
- Renewable Energy for Municipal Buildings –Last year $375,000 was committed to what is now a 92kw system being built on top of the new public service center. These dollars were originally allocated to help pay for Renewable*Connect, but due to energy efficiency projects that have decreased energy use and expenses overall, these funds will now be invested in renewable energy installations on public buildings.

The following are new programs that align with the City's 2040 Comprehensive Plan's Sustainability goals:

- Passive House Development – Partners with Community Planning & Economic Development (CPED) on the Minneapolis Homes Development Assistance program to incentivize new passive housing on City-owned vacant lots. CPED allocated about $70,000 in gap financing for new homes built on City vacant lots. The Sustainability Division and CPED will create an add-on incentive to develop very energy efficient and extremely resilient homes utilizing three different kinds of potential certifications as models for constructing six to ten (1-to-4 units) deep low-energy homes that are 80% more efficient than existing plans and 100% electric. Partnering with long-term affordability organizations like the City of Lakes Community Land Trust and Habitat for Humanity is also being explored. A research project in conjunction with this program, which will assess what areas of the City's regulatory and permitting process can be incentivized rather than de-incentivizing very low-energy homes, is part of this project. There will also be collaboration with Xcel Energy and CenterPoint Energy with their particular rebate programs.

- Passive House Pilot – Partner with Minneapolis Public Housing Authority (MPHA) on deeply affordable housing by constructing ultra-efficient 4-unit and 2-unit passive homes on two existing vacant MPHA-owned sites. Projects will be at least 80% more efficient than code requires, 100% electric, and designated as net zero energy ready. Franchise fee funding brings energy innovation to this successful partner program, and CIP programs like New Home Construction Rebates will be leveraged. This is an opportunity to advance building technologies and design, and serve as a learning lab for the City and MPHA.
- REALIZE Public Housing Net Zero Retrofit – Minneapolis was one of two cities selected to be part of this program sponsored by the Rocky Mountain Institute. This European model was first developed for deep energy retrofitting of existing homes by adopting manufactured housing techniques. The building selected, owned by MPHA, is located at 809 Spring Street NE and has 45 public housing units. Prefabricated 18-inch thick insulated wall panels and new triple-pane windows will be installed on the exterior of the building. There will be the opportunity to integrate solar energy into the rooftop as well. It will be completely retrofitted to 100% electric and very close to net zero energy, aiming for an 80% energy reduction. This is a deep decarbonization strategy that has worked in tens of thousands of units in the United Kingdom, Belgium, the Netherlands, France and Germany, and it is coming here to Minneapolis.
- Integrated Utility Hub (IUH) Feasibility Study –This technical and financial feasibility study will detail the environmental, social and economic performance outputs when solid waste and waste + stormwater are managed in a synergistic and closed loop system at the Upper Harbor Terminal. The IUH is being supported by the Mississippi Watershed Management Organization, and the idea is to take advantage of tens of thousands of gallons of sewer waste heat to create a district energy system which cleans up sewer water and storm water, and utilizes anaerobic digestion and a fuel cell to create a district energy system that is 100% carbon neutral. In its early stages, the $100,000 commitment in City funding leverages more than $75,000 of additional funding from other partners such as McKnight as well as utility programs like Energy Design Assistance. This is included in the Phase I concept plan of the Upper Harbor Terminal approved by the City Council. There is also an opportunity to create innovative energy efficient related jobs in North Minneapolis.
- New Staff in Sustainability Division – Utilizing the McKnight Foundation first-year match, one full-time employee, Stacy Miller, has been added to work on regulatory policy and legislative positions. Two additional staff members will be added to work on the expansion of building-related efforts and the rollout of the residential energy benchmarking (time-of-rent and truth in sale of housing) programs.
- CEP Comprehensive Emissions Reduction Inventory – At the Q4 2018 Board meeting, the Partnership requested a comprehensive carbon assessment to determine where we are currently, what activities are making the most impact, and what are the results if we put all of the different efforts around the City together in achieving the carbon reduction goal of 30% by 2025. The Planning Team is preparing metrics that will be tied back into the Work Plan activities and may work with a consultant to bring all of the different pieces together to provide the CEP Board the ability to understand what carbon reductions are being accomplished and by whom.

Following presentation of these planned programs at the Q1 2019 EVAC meeting, EVAC members were invited to give their feedback, which has been grouped into these themes.

- Passive House initiatives – While they are innovative and needed to transition to fossil fuel-free housing, EVAC members expressed concern that the relative "bang for the buck" is small compared to other established programs receiving funding.
  City Response: This investment leverages other City and public partner funding ($300,000+) and priorities to seed innovation needed to reach our 2050 climate goals. The project will include other priorities like workforce participation; long-term affordability through land trust model; and study of investment costs, climate impact, affordable housing goals, and scalability of three design versions of carbon-neutral, affordable housing. Remaining funding near year-end will be rolled over to Green Cost Share programs with priority for housing.

- Workforce Assessment – Recommendation's allocated budget should be much higher. Suggestions for funding areas were diverse, including low-income and equitable workforce participation, training in Passive House construction techniques, and commercial building EE training.
  City Response: Sustainability Division addresses workforce development by pursing policies and programs that create a demand for skilled, clean energy jobs. We need internal and external partners to lead labor supply and training efforts. We will have a better idea of potential opportunities after review by the Minneapolis Workforce Assessment Task Force. The City will be expecting co-investment of resources from large employers such as the utilities in creating new programs or enhancing initiatives.

- EVAC wishes to be more engaged in budget allocation discussions for specific programming/categories and to hear about the strategic thinking and opportunities behind new programs.
  City Response: Volunteers will be sought around EVAC's Q2 meeting for a work group. City staff will meet with the EVAC work group for a series of meetings this year on Commercial/Industrial vs. Residential split, innovation vs. short-term impact, and Commercial/Industrial and Residential programs and budget targets. The work group will report back to the entire EVAC in late 2019 for updates and larger group feedback.

CM Gordon stated he has been interested in seeing the Partnership create funding to help support our work together. The City increased its franchise fee, some of which could go to CEP. He urged collaboration and cooperation among the Partners, as they did when they shared funding for the community engagement pilot project.

5. Metric Development Updates

Luke began his presentation by reviewing questions the Planning Team has grappled with about principal questions frequently asked by the Partnership as well as external stakeholders and media about how the Partnership is going and what impact its collective work is having. The CEP Board is particularly interested in knowing how the Partnership's work is moving the dial on the City's goals, how much of that progress is directly attributable to the Partnership, and what the future trajectory tells us. EVAC has expressed a desire to measure the Partnership Activity impacts individually and gauge the CEP Work Plan's magnitude of impact. The

Planning Team concluded that existing metrics do not provide a framework that clearly measures and illustrates any impact of the Partnership – past, present and future.

The metrics currently being used were established by the Partnership when it was formed in 2015, and were both high-level and granular. In putting together annual reports it is easy to get lost in the numbers, which results in losing sight of the Partnership's large goals and the impact we are having. These metrics also only partially align with the City's climate and energy goals. One solution is to elevate seven metrics that help directly answer how we are doing on the City's climate and energy goals, and put them at the forefront. All of the other metrics will remain, but the focus will be on these: GHG emissions (community and city enterprise), Residential and Commercial/Industrial Building energy use, renewable electricity percentage (community and city enterprise), and local and directly purchased renewable electricity.

The current annual report metrics are reported in table format and do not provide a clear snapshot of progress. The Planning Team proposes creating a scorecard, similar to one used by the Department of Homeland Security, which uses numbers and colors that assess primary metrics in an easy-to-understand format. This scorecard will be used in future annual reports, work plans and on the website to illustrate progress.

Another limitation of current metrics and reporting is that they do not succinctly and accurately show trends. One solution is for the Planning Team to map or graph those metrics over time to highlight trends and compare data against trajectories needed to reach City goals. Some key metrics show large annual fluctuations, particularly due to weather, which makes it very difficult to discern trends and City goals progress gap. The Planning Team will create a weather normalization methodology to minimize the impacts of yearly weather variation.

The City's Energy Vision 2014, one of the Partnership's foundational documents, does not contain numerical goals, but it is rather a visionary document. To show an example, Luke read from the document: "Disparities in the relative cost of energy services for low-income households are aggressively mitigated," noting that there was no number associated with that goal. The Planning Team wants to pull out some items from the Energy Vision, i.e. equity or workforce development, things that can be measured annually, and have a succinct metric that shows how we are making progress towards the Energy Vision.

Some of our next steps are to incorporate new key metrics, scorecards and trend graphs in the 2018 Annual Report which will be finalized and released by the Planning Team in the summer of 2019. In the 2019 Annual Report (released summer of 2020) they will align, when possible, Partnership Activity impact reporting with new key metrics and future forecasting of progress toward energy and climate goals. EVAC will be engaged to determine if any select, key Energy Vision 2014 elements can be tracked annually via quantifiable metrics (particularly regarding equity and workforce).

John Marshall commended the work done by the Planning Team, adding that he appreciated the direction we are going in terms of heading toward more transparency in bringing "wonky" subject matter to the masses. It will open up clarity for all partners involved in this effort, enabling them to stay on the same page and march in the same direction for the achievement of agreed-upon goals. He asked if the Climate Action Plan (CAP) was locked into the City's Comprehensive Plan. Luke replied that the CAP is a stand-alone plan, adopted by the City Council and Mayor in 2013, that contains quantifiable goals. The City's Comprehensive Plan highlighted the CAP, offering suggestions for how the City could think about land use and population planning to help meet some of the CAP goals. The Energy Vision is also a document referenced in the Comprehensive Plan as one of the foundational documents adopted by the City.

Council Member Jeremy Schroeder said he thinks the development of these metrics will be critical, but it also seems labor intensive and he asked how the work was getting done and who is paying for it. Luke said that most of the metric work has been done by the Planning Team, but the tricky part comes when we start getting more technical and try to forecast. As Kim mentioned in the franchise fee discussion, $50,000 has been set aside as the City share for any potential consulting that is needed as a part of this. The Planning Team has a good handle on how to measure and show our data from prior years and what we are currently doing, but taking that out into the future can get quite sophisticated. He believes it would be helpful to have an impartial broker helping to look at forecasting. Bridget added that Xcel Energy's resource planning staff pulled some long-term generation forecasts with adding new renewables to its system, but they have not yet been able to answer the question of how that integrates together.

CM Schroeder also said he sees the City supporting the Partnership Activities with franchise fees, but is concerned that the full potential of the Partnership will not be realized. He wants to make sure the metrics are also measuring Partnership Activities, the impact of which would not occur without this Partnership.

6. Work Plan Activity Updates

a. Residential Energy Disclosure ordinances passage and disclosure tools – The Sustainability Division worked with Council Member policy aides, and engaged staff from the utilities and members of the community over the past year to develop the slate of three residential energy disclosure ordinances unanimously adopted by the City Council on February 15, and approved and signed by Mayor Frey on February 17.

  (1) Multifamily Building Residential Energy and Water Benchmarking – Commercial Benchmarking has been expanded to include residential buildings in the multifamily sector. Beginning in 2019, different-sized buildings will be phased in for different compliance timelines. This completes CEP 2017-2018 Work Plan Item No. 7.
  (2) Truth in Sale of Housing (TISH) time-of-sale energy report – Anticipated to start in 2020. It completes CEP 2017-2018 Work Plan Item No. 5.
  (3) Time-of-Rent energy disclosure – Anticipated to start in 2021. It completes CEP 2017-2018 Work Plan Item No. 5.

  CM Gordon thanked the utilities, adding that this progress could not have been made without them overcoming challenges in providing data. Luke added that this is a good example of the City passing policies that help leverage utility programs and tools which is beneficial to the Partnership and its goals. He thanked CM Gordon and CM Schroeder and their staff members, Karlee Weinmann and Robin Garwood, for doing the heavy political lifting on getting these policies passed. Luke also thanked Patrick Hanlon and his staff for their help with residential benchmarking in particular.

During the adoption of these ordinances, there was an accompanying staff direction. An alternative compliance method for the TISH energy characteristics report is a HES visit. A strong demand has been built for Home Energy Squad visits and there is currently a bit of a wait, so City staff was directed by City Council to request that CEP work to increase the capacity of home energy audit and home energy efficiency services provided through the utilities' Conservation Improvement Programs to meet the demand in Minneapolis communities. The Planning Team plans to have an agenda item on this for the next CEP Board meeting to further discuss this and explore ways to improve that wait time.

Luke concluded by stating that the adoption of these ordinances in respect to the current work plan completes Step 1 of Activity EE.5: Support residential energy disclosure policies through data accessibility and tools. Step 2 is to begin implementation of City energy disclosure policies with multi-family benchmarking, collaboratively reduce barriers, and develop utility tools when necessary to ease compliance. Kim added that one of the unique things about the residential energy disclosures, which are above and beyond what most cities are doing, is that the City is also requiring that every five years the large publicly benchmarked buildings must meet certain requirements for energy efficiency progress, one of which is 20% energy reduction over that time

b. CenterPoint Energy's Energy Tracker Tool – Emma Schoppe distributed a handout and reported that this was a Partnership Activity in the previous work plan that aimed to align with the City's interest in expanding the benchmarking ordinance to multifamily residential buildings. With the energy tracker, property owners of multi-tenant buildings now have online access to building energy use data and the ability to comply with the City's new ordinance. This is another tool in the toolbox for customers to feel empowered to pursue energy efficiency upgrades at their buildings.

   The City and other community stakeholders were engaged in this project from the beginning, including testing the web portal before it launched. In the next two months CenterPoint Energy will team up with the City and Xcel Energy to provide hands-on training on how to use this and other benchmarking tools. CenterPoint Energy will also provide ongoing support for the tool and include potential enhancements based on feedback from users and stakeholders throughout this process. The tool is available at no cost to all of CenterPoint Energy's customers across Minnesota, not just in the City of Minneapolis. Being able to provide this tool and align with efforts of the City is a success story of the Partnership.

   Mayor Frey asked if this information is only available to the owner of the building. Emma replied that a property manager or owner, someone with a relationship to the building, can use the tool. If the building complies with CenterPoint Energy's aggregation policy, which has been submitted to the Public Utilities Commission (PUC), they will be able to access aggregated data. Tenants have access to their own data if they are paying the bill directly.

c. IF.1 – Inclusive Financing – At the Q2 2018 meeting the CEP Board approved a definition: *"Inclusive Financing allows direct investment in resource efficiency upgrades on the customer side of the meter through an on-bill approach regardless of the customer's income, credit score, or renter/owner status. Under this definition debt is not accrued by the customer."* At the Q4 meeting in November, the CEP Board approved a Work Plan Partnership Activity on inclusive financing that included approaching the PUC, Department of Commerce (DOC), and/or other parties to seek clarification on the necessary next steps to undertake a pilot program. The Partners will also consider feedback from the University of Minnesota (U of M) Energy Transitions Lab Feasibility Study on Inclusive Financing, and work together to resolve and overcome barriers to creating a program that provides a reasonable benefit to customers.

The Partners formed an inclusive financing working group with representatives from each of the Partners and EVAC to define key features of the pilot. The working group met six times to outline a pilot project intended for customers with the potential to achieve significant natural gas savings through air sealing and insulation projects. Defining the key pilot program features and building consensus amongst the Partners will inform conversations with external stakeholders.

With program features clarified, CenterPoint Energy continued a due diligence investigation into the legislative and regulatory considerations that were presented to the Board last summer. (See PPT Slide 36 for details.) CenterPoint Energy received outside counsel from Winthrop & Weinstine, a law firm with experience in the energy and utility industries. Winthrop & Weinstine provided a legal opinion on the path forward for inclusive financing, stating that in their opinion legislative authorization is needed to pursue inclusive financing in the way that it has been defined thus far. CenterPoint Energy shared this opinion with the City and Xcel Energy and drafted criteria for potential legislation. It also recently completed a first draft of legislation which can be shared with the Partners at a subsequent meeting.

In the meantime, the UofM Energy Transitions Lab is conducting the feasibility study for inclusive financing. They will conduct a separate legal analysis to outline the path forward in terms of a regulatory or legislative path. This component of the study is being funded by the DOC and will be available in May along with the feasibility study. In terms of next steps, the Partners will consider the findings of the Energy Transitions Lab's feasibility study and determine the regulatory path forward.

Mayor Frey pointed out that the Partnership had previously agreed they would collectively go to the DOC to present on this concept of inclusive financing. There is now a legal opinion from Winthrop & Weinstine, and a legal analysis through the State Energy Office which will be available in May. He questioned what would happen if the State Energy Office comes to a different conclusion than Winthrop & Weinstine, i.e. if this can be accomplished via regulation as opposed to legislation. Emma replied that CenterPoint Energy will consider the findings of the study, then deferred to Amber Lee to provide further comments.

Amber said that two paths have been preliminarily sketched out. One is a legislative route that would get to some of the issues regarding continuation of billing the meter, a notice to future homeowners, and a disconnection for nonpayment. The legislation could be crafted to allow a utility to petition the PUC to approve a tariff that would allow those parameters and launch a pilot in conjunction with a sponsoring partner. There is a secondary track, possibly working through the recommendations that come from the U of M's feasibility study and their opinion on the regulatory track. It might be possible to tweak some of the program parameters that would require legislation and go forward on a regulatory track.

Mayor Frey asked if continuation of billing the meter and notice to future homeowners are part of the State Energy Office's legal analysis as to whether regulation or legislation is necessary; Kim replied that they are included in the scope of services. Mayor Frey expressed his preference to go with the legal opinion of the entity itself that will be making these decisions. If in May the State Energy Office determines that those two items can be done via regulation as opposed to legislation, he wondered if we could move forward with regulation knowing that it would be an easier route. Amber replied that while everyone is interested in the conclusions of the State Energy Office and the U of M, these are only the opinions of one entity and one stakeholder group. There are other divisions within the DOC and the PUC to be considered. Before CenterPoint Energy can start launching this program and actually putting these charges on their bills, they need approval of their petition to do so by the PUC, which is different than the State Energy Office. The question is whether CenterPoint Energy can submit that petition now, or do they have to wait until legislation is passed. The opinion of CenterPoint Energy's legal counsel is that legislation must be passed because the PUC does not have authority to approve a petition submitted under existing law. CenterPoint Energy cannot take things to its regulators that they know they do not have the authority to approve, and the PUC has no obligation to give them an advisory opinion or legal advice on the formal action that is required.

In the discussion that ensued questions were raised about the order in which things were being done by CenterPoint Energy, and that they seemed to be rushing to action independent of the Partnership. Several City Council Members expressed their belief that the intent was for representatives of the Partnership to jointly approach the PUC, DOC and/or other appropriate parties with a rough draft of what the program might look like, having a conversation and asking for feedback and ideas to keep in mind while taking next steps such as seeking legal counsel. They were also concerned about and frustrated by the fact that it has taken many months to get to this point, especially in light of the fact that any legislation proposed by CenterPoint Energy would be considered in the 2020 legislative session, not the current one.

Amber responded that it would take that much time to get the external engagement and stakeholder outreach done before introducing a bill at the legislature. At any rate, CenterPoint is not prepared to make any decisions or take any action until May when the results of the U of M study will be released. She added that she believes there is value in waiting to see what comes out of the U of M study and the DOC opinion prepared by

Cadmus before getting in front of regulators. The Partnership should then decide what the next steps would be and determine what kind of program they want. While he respects the frustration about the lack of expediency, John agreed with Amber and strongly advised that the Partnership wait two more months before going to the PUC because specificity is critical. After that it would be helpful to have a discussion based on what we learn, although Xcel Energy cannot make a commitment about how to proceed without knowing the details.

Council Member Fletcher expressed his frustration about the lack of action that he thought had been previously agreed upon, and his hope that some sort of planning and progress would be made before the next CEP Board meeting on June 17. CM Schroeder echoed CM Fletcher's frustration and sentiments, adding that having a thorough reporting and discussion in the interim would make for a more productive and useful meeting in June.

Mayor Frey offered the following motion, as amended by Mark Ruff:

> At the Q2 Board meeting, the Planning Team shall assist the Board in considering the possible paths to provide Inclusive Financing and direct next steps. Three possible paths include: 1) a legislative and regulatory path, 2) a regulatory only path, and 3) a path through regulatory means that can create an inclusive financing pilot minus certain elements. The Q2 Board meeting shall have an agenda item for a presentation of the regulatory/legislative analysis results by the Department of Commerce State Energy Office and Cadmus, and of the feasibility study completed by the Energy Transitions Lab and Cadmus. Additionally, a Q2 Board meeting agenda item shall review the to-date considerations and results of the inclusive financing pilot work group led by CenterPoint Energy.

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

7. Other Updates

a. CenterPoint Energy's Renewable Natural Gas (RNG) – Emma reminded the Partners that CenterPoint Energy announced last August that they filed a proposal with the PUC for a five-year pilot program offering customers the option to purchase natural gas from renewable sources. At this point in the regulatory process timeline, interested parties have submitted to the PUC comments on the proposal and CenterPoint has submitted its reply comments. Interested parties have another opportunity until early April to submit comments. Comments submitted by the City of Minneapolis and others raised concerns regarding the pilot's potential impact on non-participating customers. In response, CenterPoint Energy proposed a pilot modification that would eliminate any impact to non-participating customers by shifting cost recovery risk to CenterPoint Energy's shareholders. Also in response to comments raised by the City, CenterPoint Energy explained its work with nationally-recognized organizations to establish a credible, transparent third-party RNG tracking and verification system. In addition to this pilot proposal, CenterPoint Energy informed the PUC that it is working to develop an interconnection process that would allow the company to receive and transport locally-sourced RNG. CenterPoint Energy has participated in about a dozen national conferences, workshops or discussions regarding RNG. SoCalGas, the nation's largest natural gas utility, modeled much of its own RNG program after CenterPoint Energy's program, and they continue to collaborate with them on additional efforts to advance RNG.

b. Bridget said that as the community and corporations move forward on their 100% renewable energy goals, Xcel Energy is aggressively moving forward with its own clean energy goals. It is developing a product called Certified Renewable Percentage, and will file hopefully by the end of April with the PUC asking for the renewable energy credits (RECs) that are part of its system to be retired on behalf of its customers. Currently Xcel Energy retires those RECs that are part of its Renewable Energy Standard compliance, and they would like to retire those RECs as well as those that go beyond that on behalf of their customers. Xcel Energy will provide a calculator based on their Minnesota generation system which will allow users to enter what renewable energy they have signed up for or currently have installed on their site combine it with their own energy consumption to determine what amount their usage can be claimed as a certified renewable energy. It will be at no additional cost to Xcel Energy's customers.

8. Adjourn

The meeting was adjourned at 3:59 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