Clean Energy Partnership Inclusive Financing Board Motion

In the interest of helping customers overcome barriers to financing home energy upgrades, and as outlined in the 2019-2021 Workplan, the CEP Board reaffirms its commitment to explore in good faith an Inclusive Financing (IF) pilot program that provides a reasonably beneficial service to customers.

I. The Board accepts the following IF pilot program key features:
   a. A Third Party (Non-utility) provides the capital and reserve funds.
   b. Participation is limited to residential customers.
   c. Upgrades are limited to Conservation Improvement Program rebated, air sealing, attic & wall insulation installs that meet cost effectiveness thresholds – (Additional measures to be explored).
   d. Rental Properties may participate with explicit agreement from affected parties (i.e property owner and tenant(s).
   e. Participation is optional and voluntary for the customer.
   f. Customer makes payments toward upgrade on monthly CenterPoint Energy bill.
   g. Payment obligations run with the meter: If a customer moves from a location before final payment of IF, monthly payments automatically transfer to the next customer (tenant or owner).
   h. Energy disclosure ordinances are leveraged to notify incoming customers of payment obligations prior to decision to occupy property (tenant or owner).
   i. Pilot timeframe is three years with option to modify the pilot after year one and extend the pilot after year three.
   j. Pilot implementation pending commission and/or legislative approval with tentative launch date in 2021.

II. As next steps, the Partnership should undertake the following activities to prepare a set of options and make a recommendation to the Board on Inclusive Financing at the Q3 Board Meeting:
   All Partners
   a. Review detailed findings from the Cadmus feasibility & legal/regulatory study.
   b. Determine the universe of possible participants and a goal for pilot participation/year.
   c. Determine incremental GHG reduction potential from IF projects
   d. Determine program costs and Identify possible funding sources for program development, capital cost, and reserve fund.
   e. Evaluate process for non-payment and reserve fund.
   f. Determine cost-effectiveness of IF.
   g. Develop processes to notify future customers of ongoing IF obligation.
   h. Investigate opportunities to maximize potential and cost-effectiveness.
   i. Explore options for how electric and gas saving measures can be simultaneously implemented in an IF program.
   CenterPoint Energy (lead)
   j. Draft stakeholder outreach plan to facilitate regulatory/legislative action
   k. Confirm market potential specific to Minneapolis territory (i.e. customer surveys).
City of Minneapolis (lead)

I. Evaluate existing and potential City regulations/process to notify customers and drive program participation.

III. In preparation for the Q4 Board meeting, Xcel Energy will examine and report back on the potential to finance air source heat pumps, ductless mini splits, and/or solar PV bundled with wall and attic insulation and air sealing.