

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.**