



Clean Energy Partnership Q3 Board Meeting September 16, 2019

Agenda

1. Welcome and Introductions
2. Review and Approve Agenda and Q1 Minutes
 - Vote to appoint Amber Lee as Vice Chair
3. EVAC Co-Chair Update
4. 2018 Annual Report Presentation
5. Inclusive Financing Next Steps
6. Other Partner Updates



EVAC Co-Chair Update



2018 Annual Report

MINNEAPOLIS CLEAN ENERGY PARTNERSHIP

2018 Annual Report



Board Draft: September 10, 2019

- Metrics Scorecard (new for 2018)
- 7 Key Metrics (now aligned to City's climate and energy goals)
- Final reporting on 2017-2018 CEP Work Plan

Metrics Scorecard

Climate and Energy Eff. Goals



Greenhouse Gas Emissions (Community-wide)

GHG reduction goal of 30% by 2025 and 80% by 2050:
17% reduction since 2006; not on track for 2025 and 2050 goals, but achieved 2015 goal



Score: RED



Greenhouse Gas Emissions (Municipal Operations)

GHG reduction goal of 1.5% annually:
44% reduction since 2008 and on track



Score: GREEN



Energy Use (Residential)

15% energy consumption reduction by 2025:
6% increase compared to growth baseline; unknown if on track due to annual variations



Score: YELLOW



Energy Use (Commercial and Industrial)

20% energy consumption reduction by 2025:
6% increase compared to growth baseline; not on track



Score: RED

Renewable Electricity Goals



Renewable Electricity (Community-wide)

100% of renewable electricity use by 2030:
26% in 2018 and unknown if on track without more years of data



Score: YELLOW



Renewable Electricity (Municipal Operations)

100% of renewable electricity use by 2022:
45% in 2018 and on track



Score: GREEN



Renewable Electricity (Local and Directly Purchased)

10% of renewable electricity use by 2025:
3.9% in 2018 and not on track



Score: RED

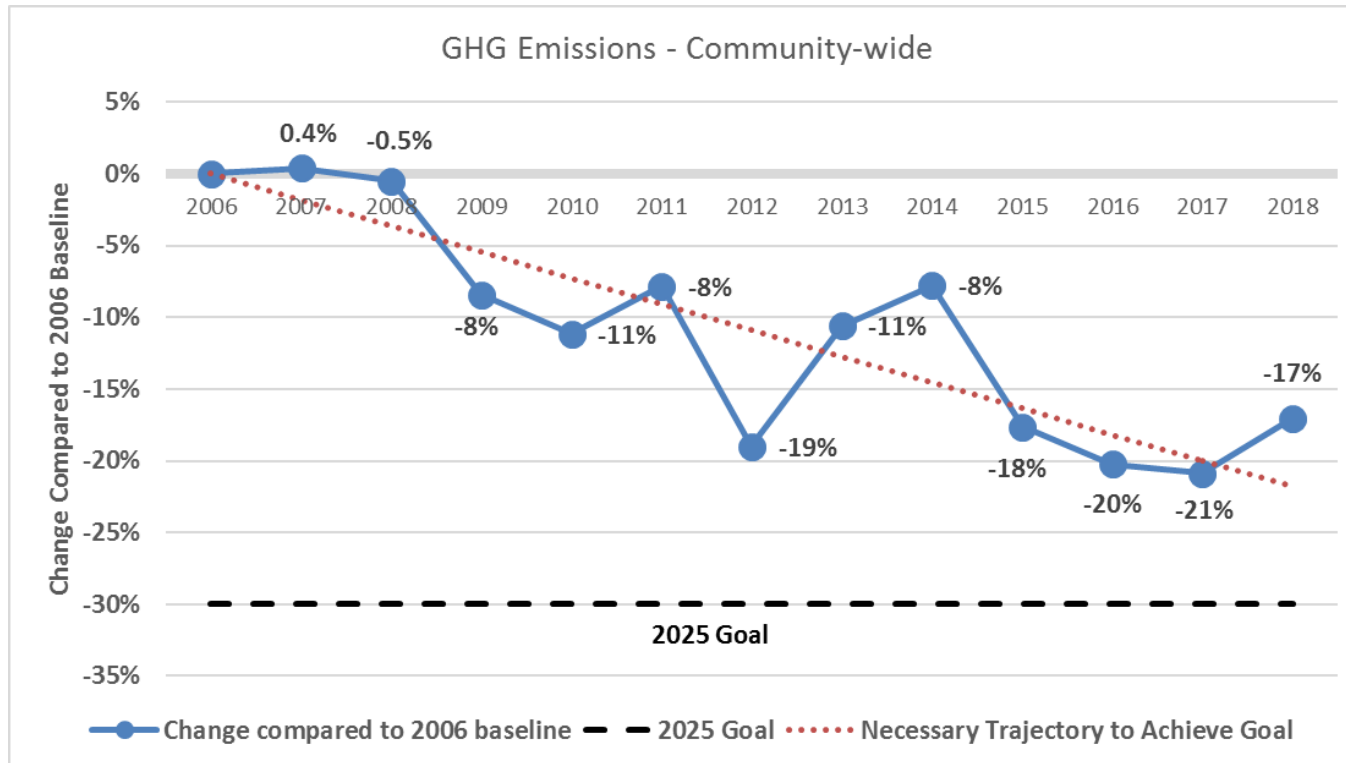


Greenhouse Gas Emissions (Community-wide)

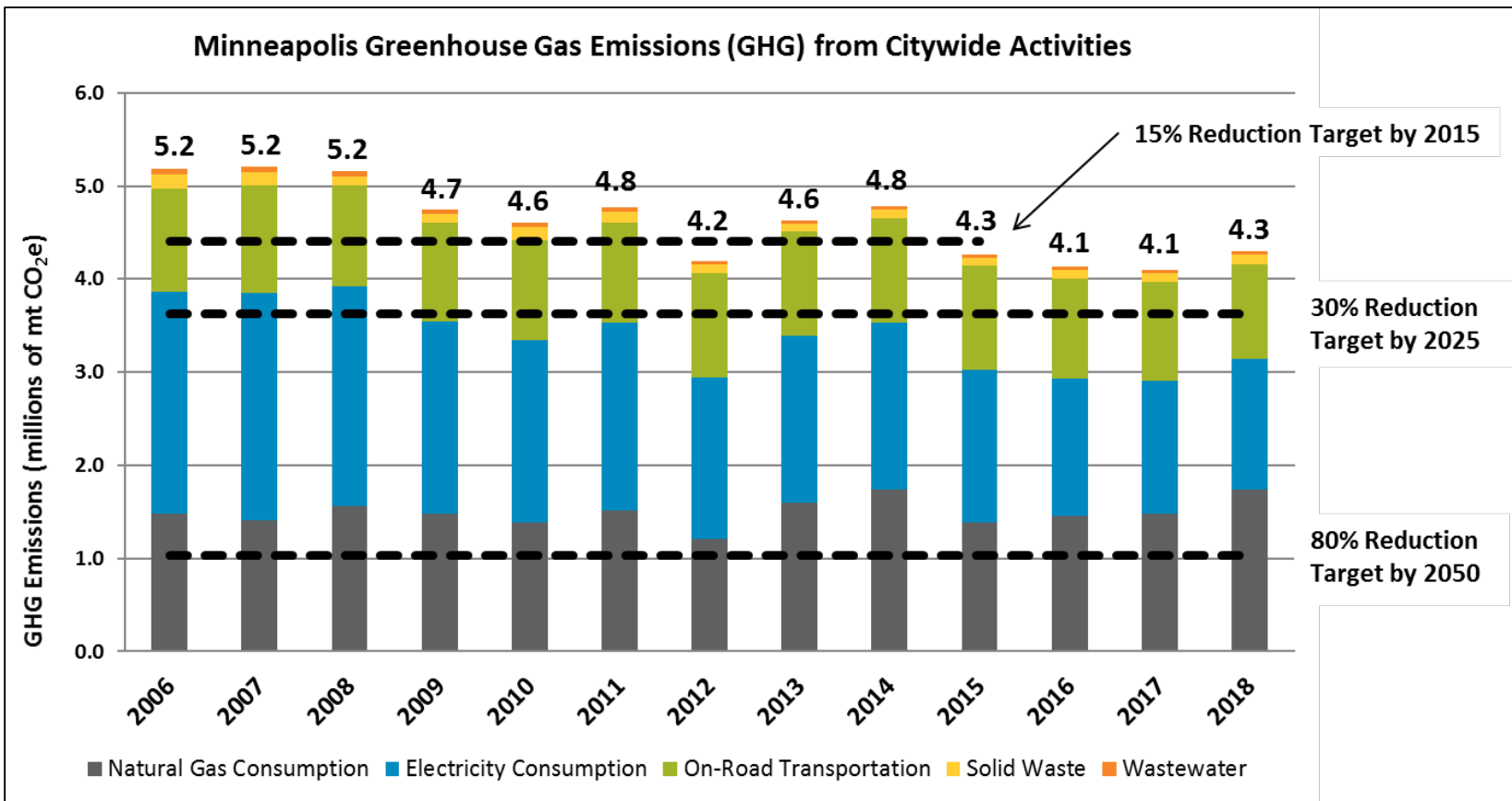
GHG reduction goal of 30% by 2025 and 80% by 2050:
17% reduction since 2006; not on track for 2025 and 2050 goals, but achieved 2015 goal

**Metric
1**

Score: RED

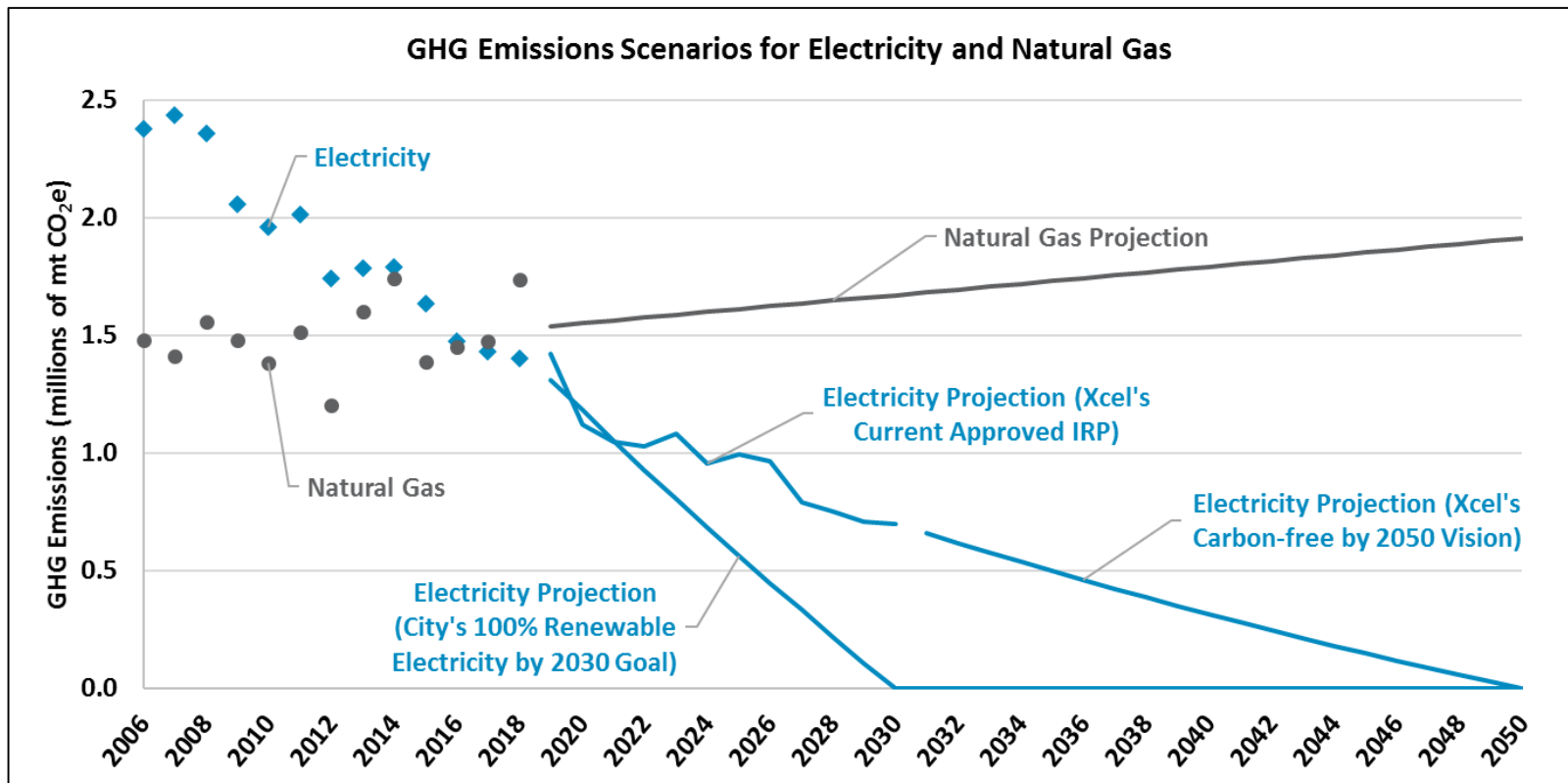


In 2018, natural gas was the largest emissions source (40% of overall GHG emissions), followed by electricity (33%) and on-road transportation (24%).



2025 Goal (under ~3.6 M mt CO₂e): Achievable with 100% renewable electricity scenario, likely falls short with Xcel Energy's 2017-2031 IRP scenario

2050 Goal (under ~1.0M mt CO₂e): Not achievable with current trajectories and scenarios





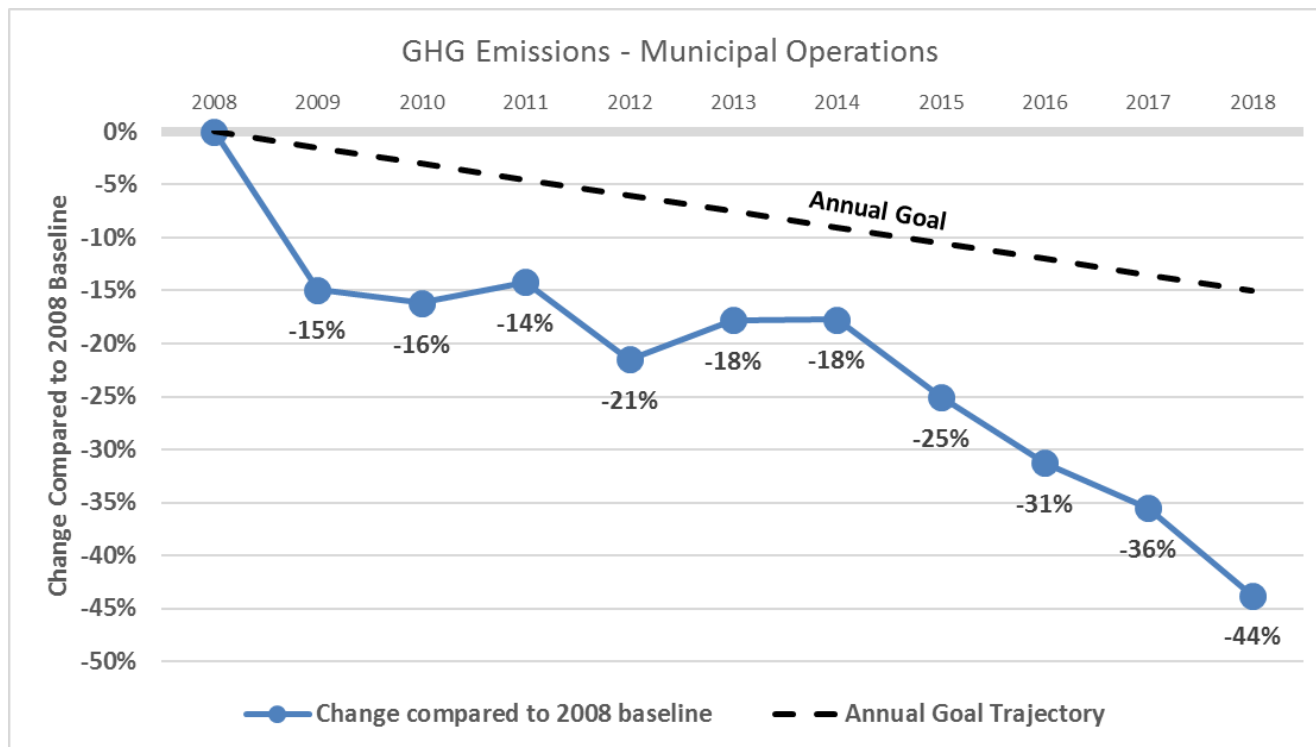
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GHG reduction goal of 1.5% annually:

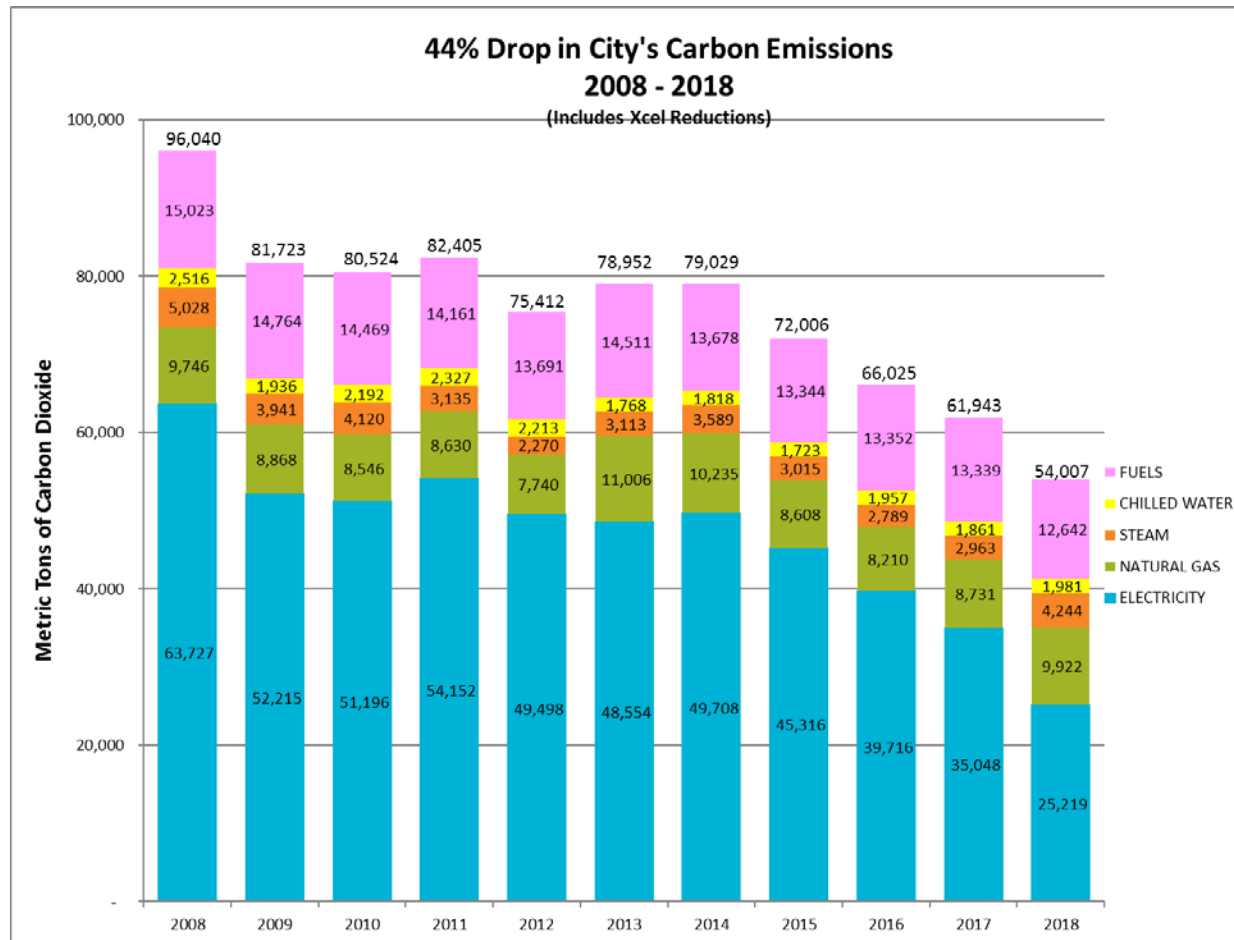
44% reduction since 2008 and on track

**Metric
2**

Score: GREEN



Reductions driven by reduced carbon intensity of the electric grid paired with City subscriptions in CSGs and Xcel Energy's *Renewable*Connect* program.





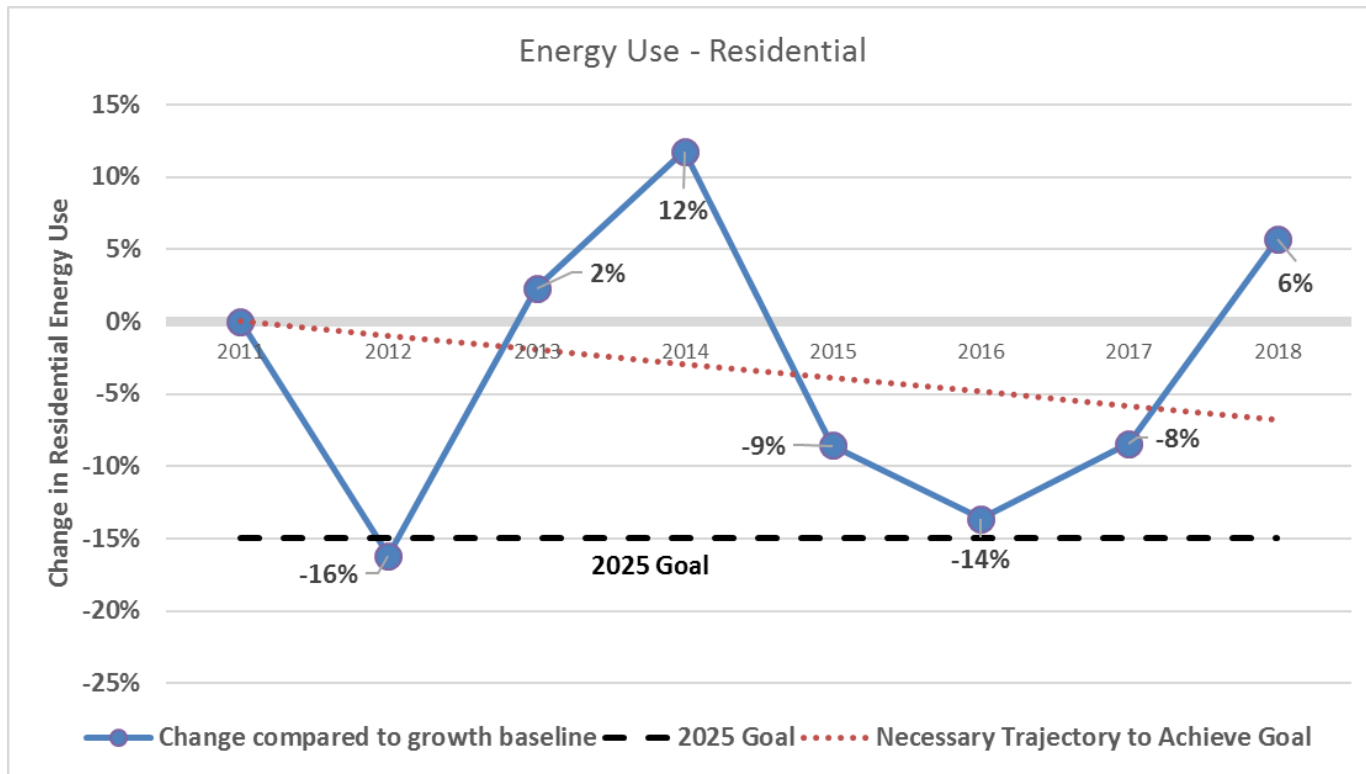
Energy Use (Residential)

15% energy consumption reduction by 2025:

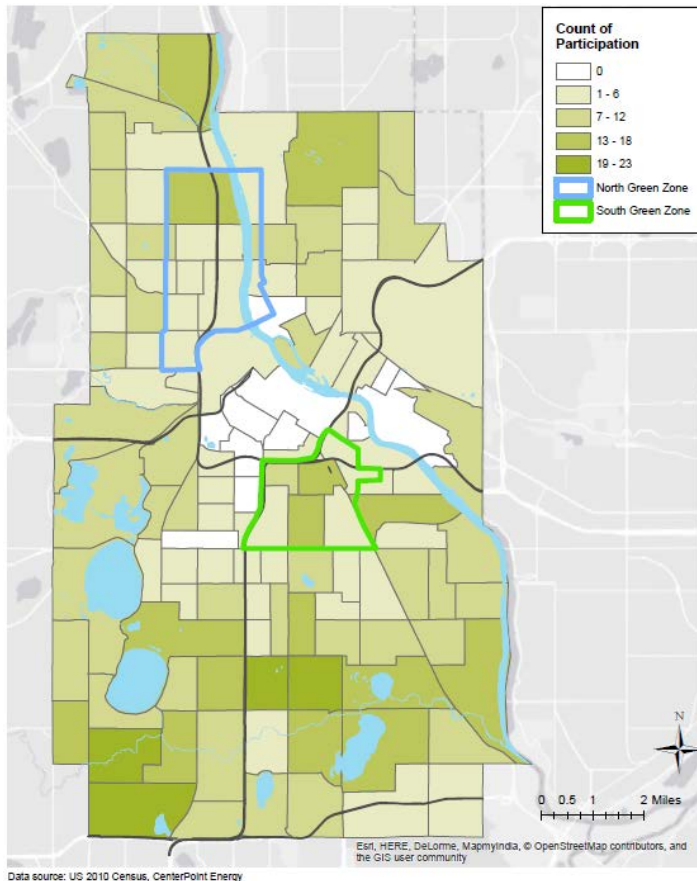
6% increase compared to growth baseline; unknown if on track due to annual variations

**Metric
3**

Score: YELLOW

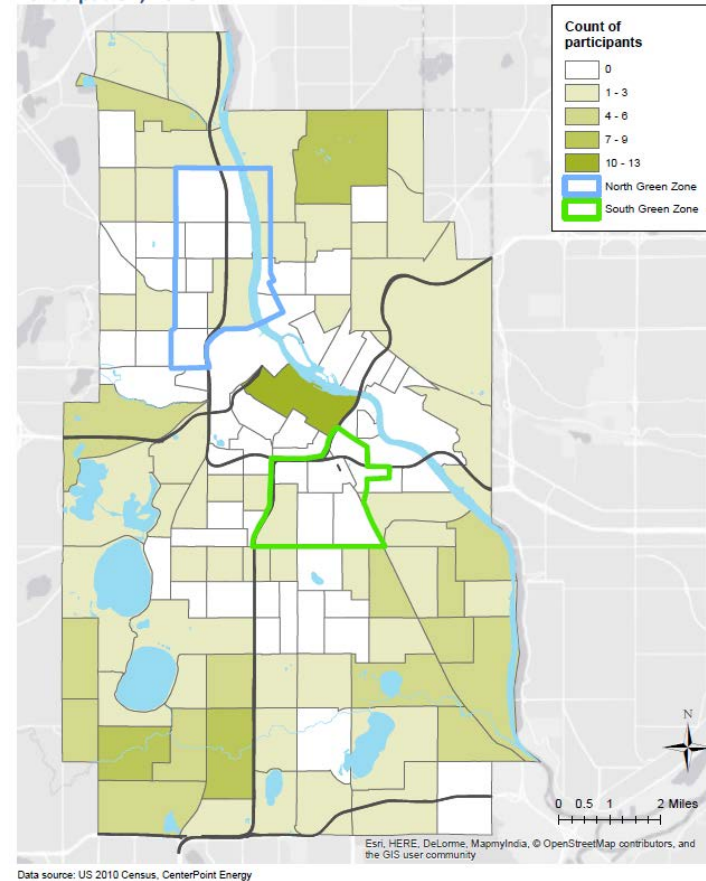


Home Energy Squad Visits, 2018



- Citywide: 40% more *Home Energy Squad* visits in 2018 (869) than in 2017 (620)
- Green Zones: Increased visits, decreased disparity (especially South)

Air Sealing & Insulation Rebates, 2018



- Citywide: 7% more *Air Sealing & Insulation* rebates in 2018 (258) than in 2017 (242)
- Green Zones: No noticeable change in participation levels



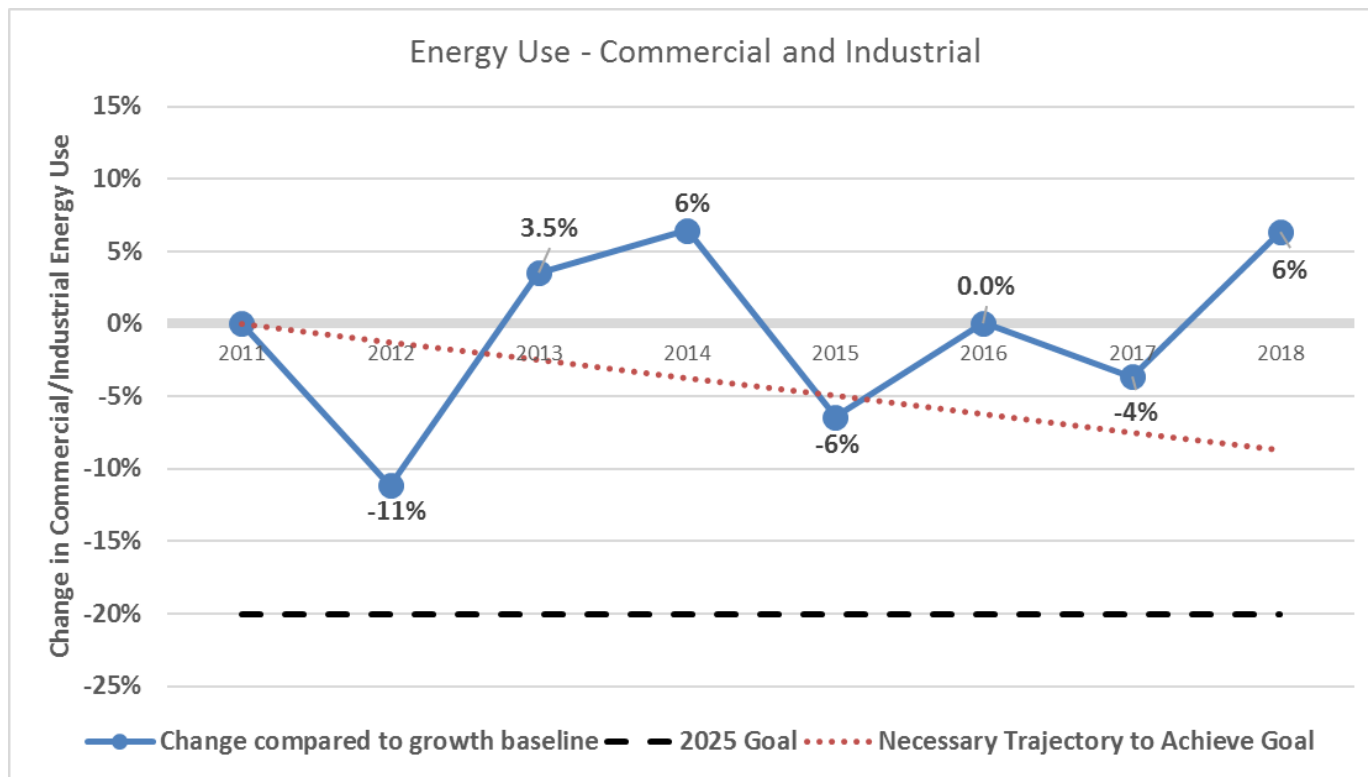
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20% energy consumption reduction by 2025:

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**Metric
4**

Score: RED





New Construction: Large increase in *Energy Design Assistance* CIP program for new construction and major renovations

- Xcel Energy: 55 projects (2018) compared to 19 (2017)
- CenterPoint Energy: 35 projects (2018) compared to 18 (2017)

Existing Buildings: Minneapolis C/I customers represented:

- Highlight One large Xcel Energy customer completed a multi-staged project that saved over 1.5M kWh and paid \$225,000 in rebates
- A high proportion of participants in programs for *Heating/Water Heating* and *Custom Rebates*
- A low proportion of participants in programs for *Natural Gas Energy Analysis, Industrial Process Efficiency, and Recommissioning Study and Rebates*.
- Only 14 Minneapolis customers received a *Natural Gas Energy Analysis* in 2017-18, representing 6% of program participation.



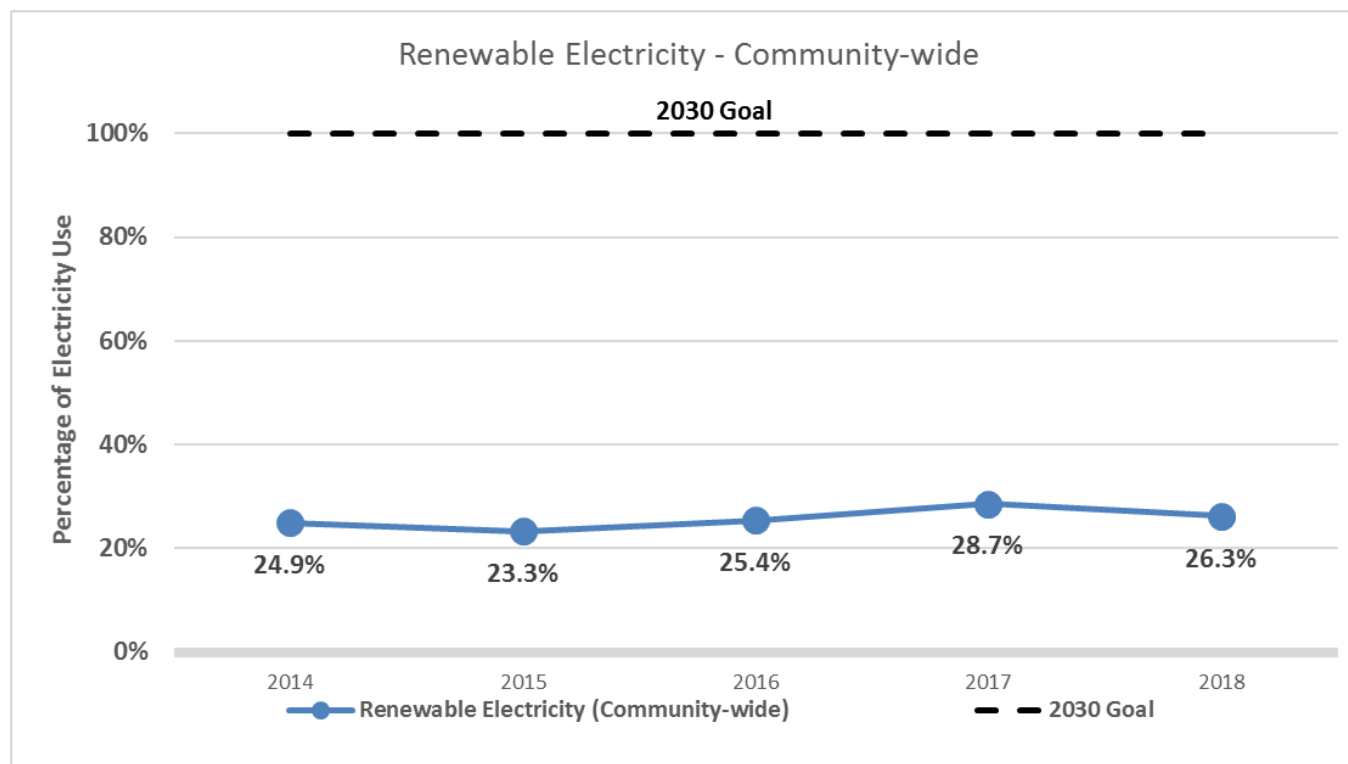
Renewable Electricity (Community-wide)

100% of renewable electricity use by 2030:

26% in 2018 and unknown if on track without more years of data

**Metric
5**

Score: YELLOW





Action-based Methodology: Decisions and deeds by parties within the City

- Parties include: Xcel Energy, the City's municipal operations, and the residential, commercial, and industrial electric account holders within the City
- Does not completely align with Renewable Energy Certificate (REC) ownership

Calculation: *Percentage Renewable = Adjusted Grid Mix + Local Actions*

- *Adjusted grid mix renewable percentage:* Grid mix renewable percentage reported in Community Energy Reports is adjusted to remove the impact of all local actions across entire Xcel Energy's service territory.
- *Local Actions:* City enterprise, resident, and business participation in four programs (Windsor[®], Solar*Rewards –Rooftop-, Solar*Rewards Community[®], and Renewable*Connect)



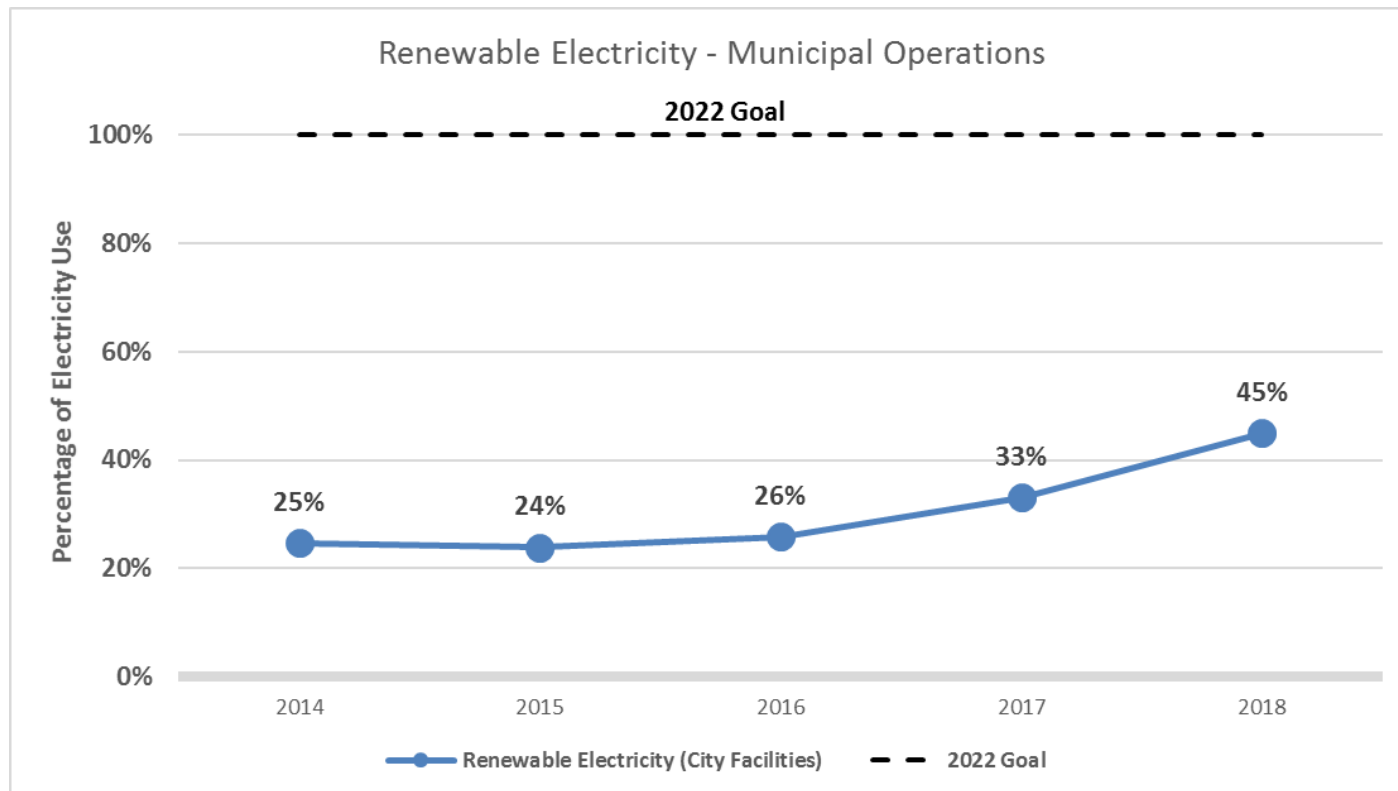
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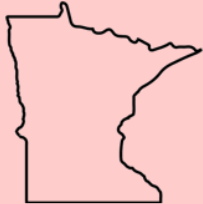
100% of renewable electricity use by 2022:

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**Metric
6**

Score: GREEN





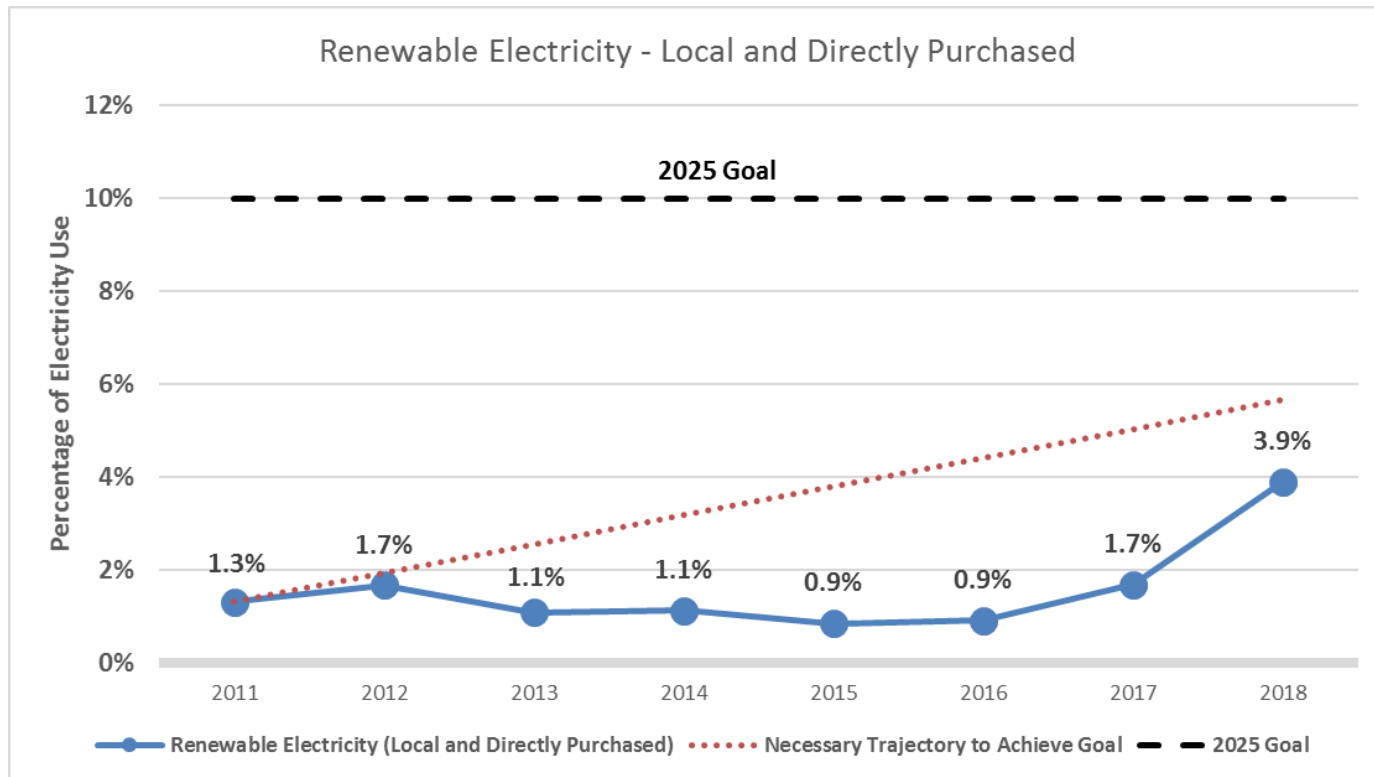
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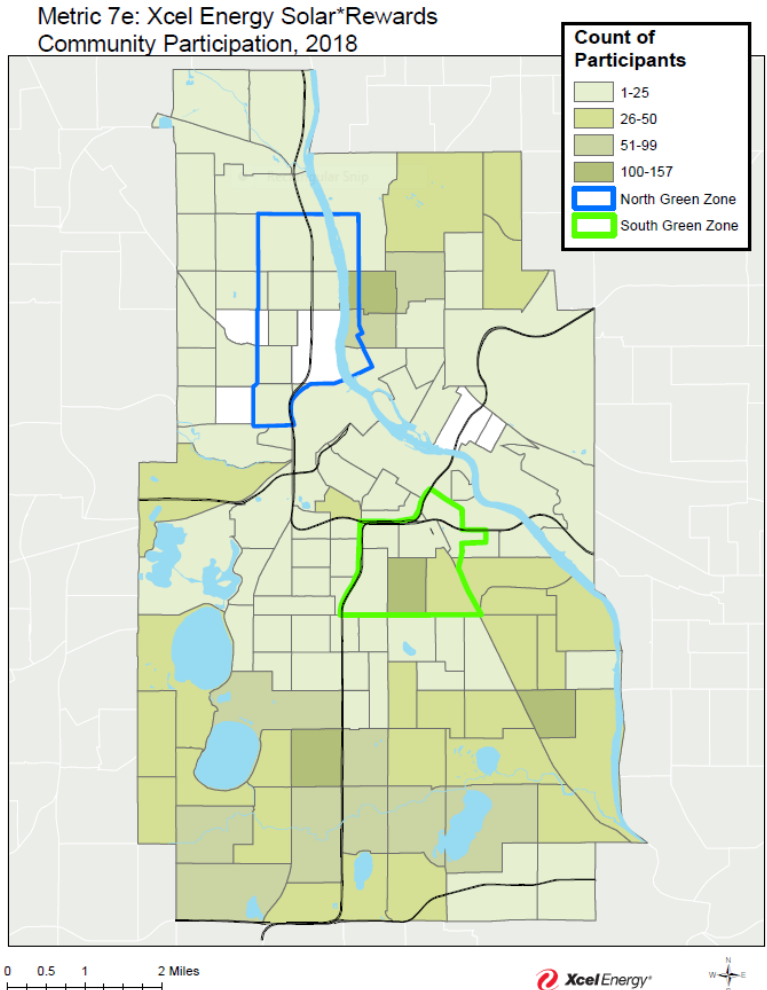
**Metric
7**

Score: RED



Increase in 2018 was largely due to *Renewable*Connect* and *Solar*Rewards Community* programs

- *Renewable*Connect*: Increased 859% in subscribed consumption from 2017 to 2018
- *Solar*Rewards Community*: Increased 645% in subscribed consumption from 2017 to 2018
- Low participation within Green Zones largely remains, with some improvement in South Green Zone





2017-2018 Work Plan Highlights

- All Partners collaborated to provide benchmarking training to building operators of multi-family buildings. Utilities completed evaluation of MFBE program w/EVAC interview - **complete**
- Xcel Energy provides small business refrigeration program - **on-going and collaboration with city green cost share program**
- Xcel Energy LED streetlight conversion - **complete**
- CenterPoint Energy launched data access & benchmarking tool – **complete**
- CenterPoint Energy developing on-bill loan repayment – **early 2020**
- Minneapolis adopted the time-of-sale, Truth in Sale of Housing (TISH), and multifamily benchmarking energy disclosure policies – **complete**
- Minneapolis led a coalition of cities and others in advocating for stretch energy code-enabling legislation during the 2019 legislative session. The City will continue efforts to increase building EE standards and seeks to expand network of supporters, including the utilities. – **in process**



Inclusive Financing Next Steps



Clean Energy Partnership Board: Inclusive Financing Milestones

Q1 2018	Board approves Inclusive Financing as a Partnership Work Plan Priority
Q2 2018	Board approves definition of Inclusive Financing: <i>Allows direct investment in resource efficiency upgrades on the customer side of the meter through an on-bill approach regardless of customer's income, credit score, or renter/owner status. Under this definition debt is not accrued.</i>
Q3 2018	Board receives CenterPoint Energy report on Inclusive Financing regulatory/legislative considerations
Q4 2018	Board approves 2019-2021 CEP Work Plan Activity to: Improve access to energy efficiency by providing an Inclusive Financing Pilot
Q1 2019	Board directs Partnership staff to develop and propose Inclusive Financing implementation next steps
Q2 2019	Board approves key features of Inclusive Financing pilot and directed next steps regarding Inclusive Financing feasibility and pilot program development
Q3 2019	<i>Board considers recommendation on Inclusive Financing</i>



Partner Updates



Adjourn

Next Board Meeting

November 14, 2019

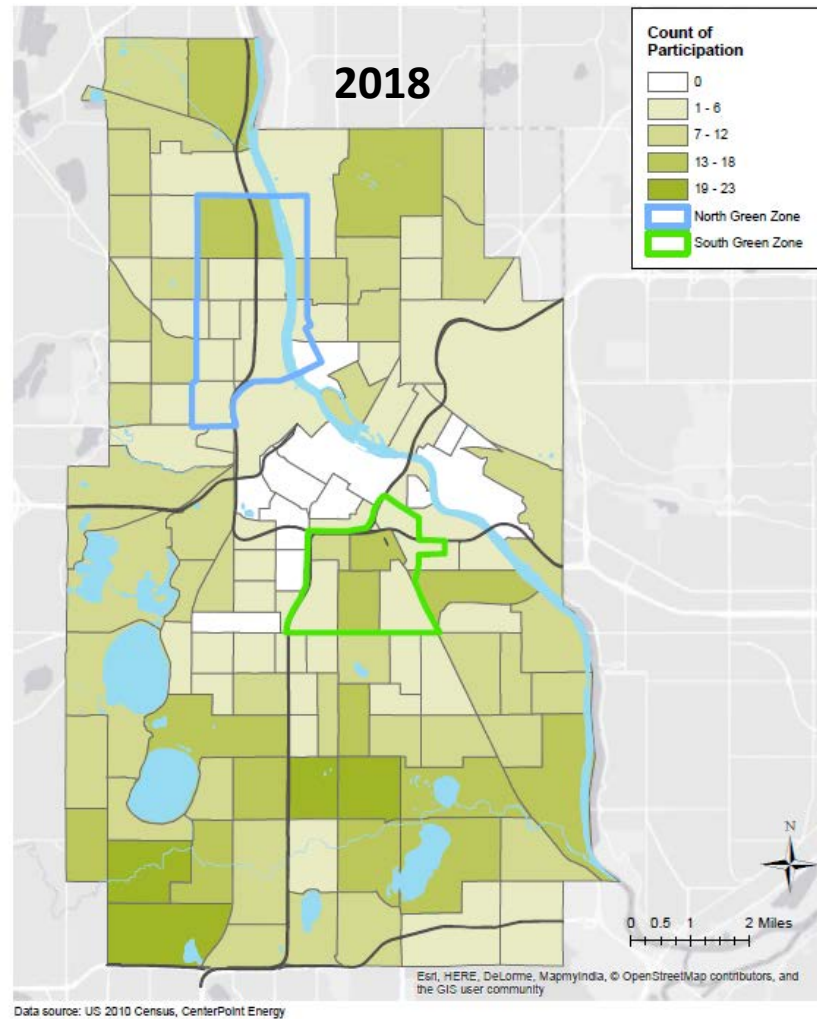
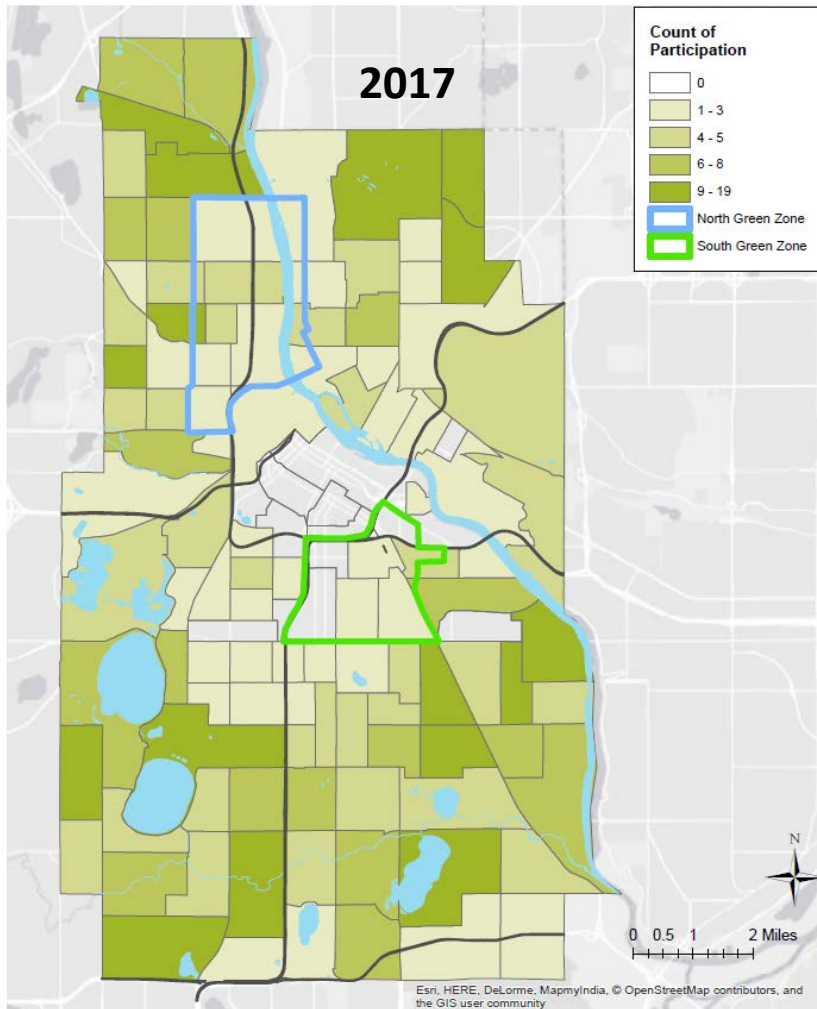
3:30 - 5:30 pm

Minneapolis Public Library, Doty Board Room

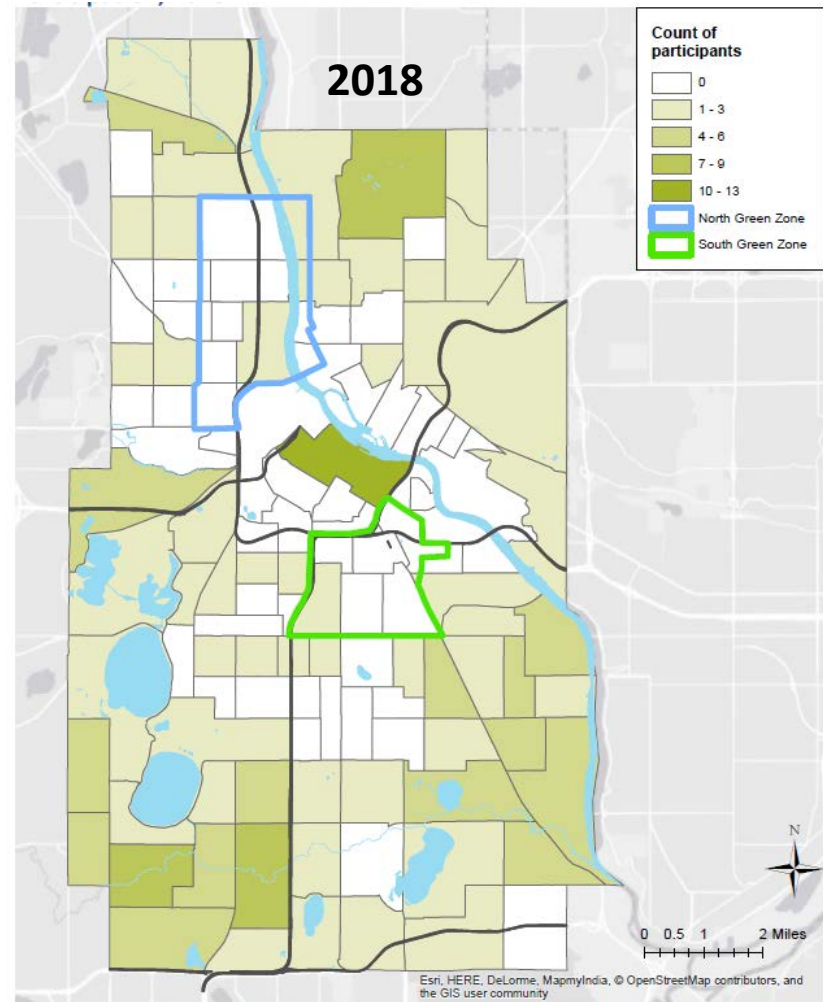
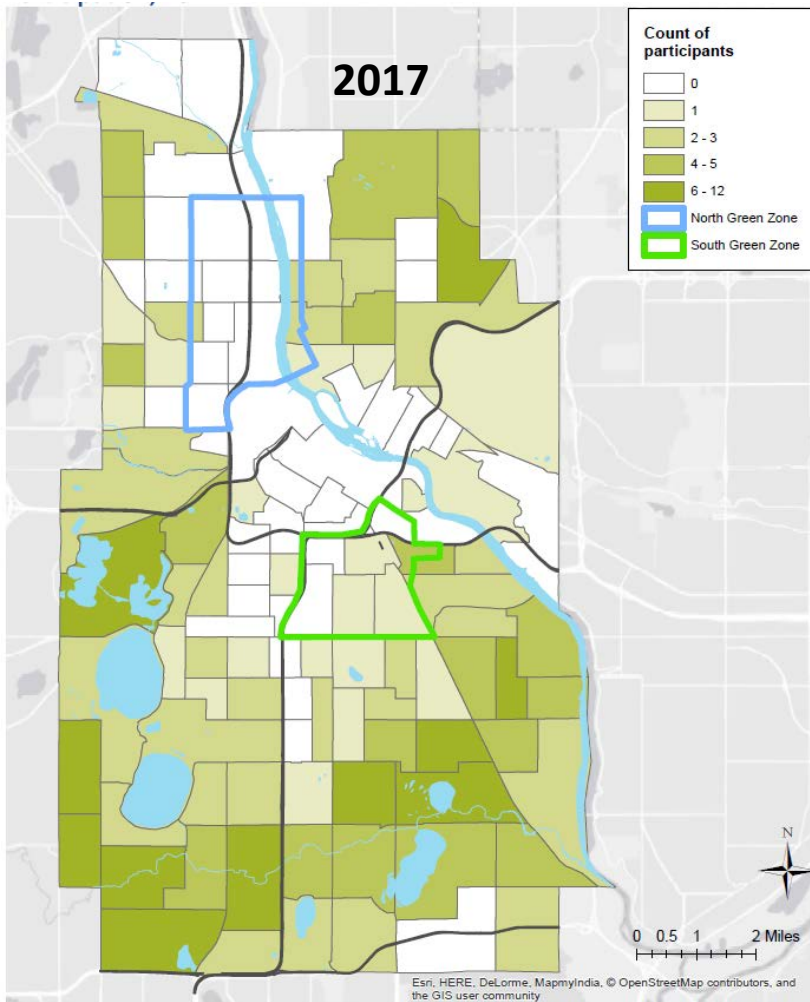


Supplemental Slides

Home Energy Squad visits



Air Sealing & Insulation rebates



Data source: US 2010 Census, CenterPoint Energy



Clean Energy Partnership Board: **Inclusive Financing Recommendation**

WHEREAS, in Minneapolis 74% of the community's greenhouse gas (GHG) emissions are from the buildings sectors; and

WHEREAS, there exists a need to reduce energy use and emissions from building; and

WHEREAS, there exist inequities between renters and homeowners in accessing financing for energy efficiency improvements; and,

WHEREAS, the Clean Energy Partnership has voted to support an inclusive financing program to address these inequities,

NOW, THEREFORE, be it resolved that the Clean Energy Partnership supports inclusion of a Minneapolis Inclusive Financing Tariff Pilot in the CenterPoint Energy rate case. The pilot program features will be based on the Q2 Board-adopted Inclusive Financing key features.



Anticipated Rate Case Timeline

Fall 2019	Rate Case Filed
Spring 2020	Intervention Deadline
Summer 2020	Public Hearings Rebuttal Testimony Sur-rebuttal Testimony Evidentiary Hearings held by Administrative Law Judge (ALJ)
Fall 2020	Oral Argument and Deliberations at MPUC
Winter 2020	Final Order
Spring 2021	Compliance/Reconsideration Activities
Summer 2021	Final Rates Implemented



- 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.