

Minneapolis Clean Energy Partnership
ENERGY VISION ADVISORY COMMITTEE
CenterPoint Energy, 505 Nicollet Mall, Room 106
Wednesday, November 20, 2019
5:00 – 7:00 p.m.

Q4 2019 Meeting Notes

Committee members present: Chairs: Patty O’Keefe and Rebecca Olson. Members: Margaret Cherne-Hendrick, Timothy DenHerder-Thomas, John Farrell, Leah Hiniker, Matt Kazinka, Julie Samuelson, Elizabeth Turner, Ansha Zaman, Mauricio Leon (via conference call)

Committee members excused: Robert Blake, Rick Dallmeyer, Jamez Staples

Guests: Mary Britton, Alice Madden, Marcus Mills, Lee Samelson, Michelle Wenderlich

Planning Team/staff present: Bridget Dockter, Peter Ebnet, Olayemi Fadahunsi, Robin Garwood, Patrick Hanlon, Kim Havey, Luke Hollenkamp, Emma Schoppe, Heidi Ritchie, Al Swintek, Ethan Warner, Karlee Weinmann, Marsha Wagner

1. Welcome and Introductions

Co-Chair Rebecca Olson called the meeting of the Energy Vision Advisory Committee (EVAC) to order.

2. Review and Approval of Agenda and Q3 2019 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 Q3 2019 minutes, it was MOVED and SECONDED that the minutes from September 17, 2019 be approved. Motion CARRIED.

3. Q4 Board Meeting Report

Patty provided a synopsis of the Q4 2019 CEP Board meeting held on November 14. The Partners provided updates on their 2020 legislative priorities. The Planning Team provided an update on the energy disclosure policies pertaining to the City’s Time of Rent disclosure ordinance, and Xcel Energy presented an Inclusive Financing potential option. Bridget clarified that because there is minimal energy savings potential, instead of looking at inclusive financing, they are exploring an all-electric customer program which would finance air source heat pumps, heat pump water heaters, and ductless mini splits. They are considering how they can tap into the outreach of Energy Design Assistance earlier in the process, specifically for multi-family new construction. Any financing for these efforts will be coupled with CEE’s financing programs. Kim added that there was a proposal for bringing in and offering rebates for heat pump water heaters.

CenterPoint Energy gave a *Committed to Minneapolis* presentation that acknowledged the challenges of meeting clean energy goals given emissions from gas, but also named some potential strategies and a projection framework for reducing emissions. That presentation, which

was a follow-up to a PUC presentation, will be shared with EVAC members and posted in the meeting materials on the website. The presentation laid out the potential vision of helping the State and Minneapolis meet their climate goals. CenterPoint Energy is working on things like renewable natural gas and carbon capture, and is trying to build momentum behind alternative approaches to addressing natural gas emissions.

A motion was introduced and passed related to stretch building codes. Kim further clarified that the motion was for the advanced energy performance standard, a legislative action that the City is engaging on with other cities. The motion outlines principles of what a legislative statute would include to move forward based on a much more efficient building standard. Cities would be able to adopt and opt into that program or look at ways to accelerate the current building code statewide to be more energy efficient. The City will continue meeting with lobbyists from CenterPoint Energy and Xcel Energy to discuss working together to get that legislation passed. Many cities, Governor Walz and other entities are supporting this effort but there is opposition from builders and trades.

Patty encouraged EVAC members to attend CEP Board meetings when possible. Several EVAC members asked if they could see Board meeting notes or if the meetings were recorded. Luke mentioned that the notes are in draft state until approved by the Board and are then posted on the website. He too encouraged attendance at Board meetings to experience firsthand the discussions, tone and themes that cannot be communicated in a synopsis. Meetings are not video recorded. It was noted by others that Community Power has a livestream of most of the November 14 Board meeting on its Facebook page.

4. Discussion on Work Plan *EE.1 Reduce Natural Gas Use for Residential Customers* (CenterPoint Energy)

Emma introduced the purpose of this agenda item is to demonstrate and receive EVAC's input on the Community Profile Dashboard (Dashboard) that CenterPoint Energy is creating. The Dashboard uses software to map utility data with important contextual social and housing stock characteristics with the goal of informing strategies to engage hard-to-reach customers in energy efficiency programs.

This will help CenterPoint Energy in the short-term work with EVAC and communities on a more targeted approach to developing outreach and engagement strategies. In the longer term it will calculate energy savings potential of the residential sector to help CenterPoint Energy inform policies and strategies around that sector.

Luke added that this is an item of particular interest to the City. The recent Annual Report indicated progress being made in some areas such as Home Energy Squad participation, but the City hoped to see more gas-saving energy efficiency projects like air-sealing and insulation. To reach the City's emissions goals we have to drastically reduce the amount of natural gas we consume. One way to do that is through a lot more gas energy efficiency projects. Blanket marketing only gets to certain populations so it only can achieve a certain level of effectiveness. What is required is more intelligent marketing, like micro or individual targeting. Neighborhoods are interested in partnering on this outreach. This tool would be a good way to meet emissions goals and address equity.

Ethan Warner, CenterPoint Energy, provided an overview of the Dashboard. Through the Dashboard CenterPoint Energy intends to be able to provide a standard set of data reporting for communities across its territory. For demonstration purposes, it uses randomly-generated data. When the tool is finalized it will be used to generate visualizations as well as spreadsheets for interested communities. There are mid- to long-term visions about making a public version of this that would translate the data, the more qualitative metrics, where data privacy would not be issue. Interested stakeholders could get a general sense of different aspects of their community without having to provide exact amounts for each geographic area they are interested in.

Ethan presented four views of the dashboard. The control page is where filters are applied and particular geographic areas are selected for the reporting. Each square on the map represents a census tract, and filters can be applied by individual census tract or for the entire City, Hennepin County, the Green Zones, or by low-medium-high energy users. The summary page shows what filters were selected, average energy use per premise, prizm segments (broad demographic information), standard and individual metrics, program summaries (i.e. CIP, Home Energy Squad, Low Income Home Energy Assistance Program), and detailed demographics.

The metrics are subject to change. They were selected because CenterPoint Energy thought they could get this information across all of the communities they would be working with on this project. Emma added that EVAC provided some suggestions for data to include applying it more specifically to Minneapolis. Those suggestions are still under consideration, but the tool being presented could be applied to other communities.

The third view is of metrics across particular geographic areas. They created a table which would show a list of cities or zip codes which you could sort by various factors, i.e. energy saved. The table could be printed out and shared with communities. The fourth view is a data dictionary which indicates the source of the data.

Following presentation of the dashboard tool EVAC members were invited to ask questions or offer feedback on how it could be improved. EVAC's questions, CenterPoint Energy staff's in meeting responses, and CenterPoint Energy's post-meeting follow-up activities are recorded in Appendix A of these meeting notes.

Following EVAC's discussion, Emma noted next steps include CenterPoint Energy returning to EVAC in early 2020 to review and provide feedback on the Dashboard including actual Minneapolis data. EVAC members were invited to send additional questions or comments on the Dashboard to Emma by the end of the week. Luke added that this discussion provides good intelligence that can be used for marketing. Ultimately the goal of EE1 is to double rebates, but more is needed.

5. Updates

a. City of Minneapolis "Residential" and "Commercial/Industrial" Franchise Fee Increase-Enabled Programming Meetings (Matt/Becky)

Matt provided a high-level review of the three working meetings the City held on this topic to discuss the big picture, residential programs and commercial programs. This is

the third budget season that the City will have money available from the franchise fee to spend on activities related to climate and energy. In past years EVAC has had a role in helping advise that spending. At each of the meetings they received updates on policy issues, and will receive an update later at today's meeting on sustainable building policies that the City is working on. They discussed what funding is currently available in the Mayor's draft budget which is now being reviewed by City Council members. Kim referenced a chart [PPT 10] that lays out the past three years since additional franchise fee funding has been available. He explained that ongoing funding represents a baseline which will roll over year-to-year. One-time funding is generally designated for special projects or initiatives. In 2019 there was a one-time allocation of \$850,000 which added to new and existing ongoing funding resulted in \$3.6 million for programming. In 2020 there is an additional \$260,000 in ongoing funding, with \$200,000 earmarked for affordable housing, 4D housing and energy efficiency programs and \$60,000 earmarked for no-cost commercial energy evaluations that are part of the benchmarking program. A continuation of the \$850,000 one-time funding from 2019 was not included, but there is elected officials' support for continuing to look for additional ongoing dollars in future budgets. The 2020 budget has a bit over \$3 million in funds available minus costs for administration and staffing.

At the three working meetings EVAC members reviewed the staff budget. In the interest of saving time at this meeting, Matt introduced a document that contains all of the details. EVAC members were disappointed to see that the budget had decreased in overall franchise fee-funded activities from \$3.6 million in 2019 to \$3 million in 2020, a drop of \$590,000. There is a silver lining as the ongoing funding was increased, but having the boost of \$850,000 last year in one-time funding and not having it this year means that while most programs are being continued, many of them which EVAC deemed to be successful and useful are funded at lower levels.

Leah asked what the existing balance is for the remainder of 2019, and wondered if any of it could roll over to 2020. Kim replied that the City is not allowed to roll over funding. However, if a contract is in place they can roll over and there are programs like that still there. For example, the passive housing money has been moved into CPED and can be rolled over. Funding for the following programs has been completely expended in 2019: HES, Green Cost Share, landlord engagement, green cost share in business, and youth development. We were able to do some consolidation of dollars, and some staff savings were transferred to the E-TAP program at CPED to continue it for two years so additional new money is not required. Programs under City Enterprise Capacity-building are all committed by City Council and Mayoral action.

Luke added that the REALIZE project from 2019 did not move forward to 2020, so that money was distributed to Green Cost Share, HES, and 0% financing. Funding for Home Energy Assessment and Energy Project Buydowns was \$200,000 in 2019. With the additional money it actually became \$325,000 and has now been shut down because funding is expended.

Patty introduced two motions. The first resolution relates to supporting the restoration of the \$590,000, and the second expresses EVAC's support for the majority of the budget allocations and that they want to follow up separately on recommendations on how that additional funding may be spent if available.

Before Patty read the proposed resolutions, Peter Ebnet clarified that the way the City's budget process works is that the point of moving money into the ongoing resources means that they will be there every year. One-time means just that, so there may be less funding but it is not really a shortfall. He also said that the proposed 2020 budget includes \$2.3 million that was not in last year's budget for energy efficiency improvements in public housing. There is significantly more money in the proposed budget for climate work in general. Luke added that change in federal tax law resulted in over \$800,000 less in franchise fees overall that the City has had to adjust for.

Patty acknowledged the difference in opinion on this, and proceeded to read the first motion into the record:

1. EVAC supports an additional \$590,000 in the City budget so that new and expanded climate and energy programming expenditures equal the average annual revenue from the franchise fee increase. EVAC will write a separate letter to the Clean Energy Partnership's City Board members outlining this request. The letter will be drafted within a week and sent out for an email vote.

Timothy provided some context and follow-up from the two meetings held in early November. He created an initial draft of the letter and submitted it to other EVAC members for comment, and also compiled some additional recommendations. The conversations around this issue clearly articulate both EVAC's advocacy and the advocacy of dozens of community-based groups which were very much on the basis that this half percent increase in the franchise fee would create new resources to new programs that would benefit Minneapolis energy users. EVAC appreciates the steps that were taken in 2019 to bridge the funding gap, and sets that as the context for the expectation around what happens in 2020 so that we can demonstrate this synergistic, positive, trust-building relationship between community advocates, EVAC and the City. Also recognizing that if we're talking about roughly \$2.8 million dollars that represents a tiny piece of the resources needed to address climate change and the scope of this problem.

John said that since the PECE Committee is proposing that the City Council declare a climate emergency it seems entirely appropriate that EVAC is pushing for more money. Elizabeth said there was a lot of conversation in the meetings that the programs being funded are also about energy equity. Timothy would like to see language added that EVAC has begun developing specific recommendations to the sustainability office for use of these funds. When asked about the timeline, Patty said the letter would be drafted and sent out for an email vote. After some discussion, it was determined that the letter would be distributed to EVAC members by November 22 so that it can be voted upon

and delivered to Clean Energy Partnership City of Minneapolis Board members no later than November 27. The final letter will be drafted by Becky and Patty, with assistance from Ansha, Elizabeth and Timothy.

Patty called for a vote on the first resolution. John moved that the resolution be approved; seconded by Matt Kazinka. Motion CARRIED.

Patty then read into the record the second resolution:

2. EVAC strongly supports the majority of the City franchise fee increase-enabled programming and expenditure levels for 2020-2021 presented by City staff. EVAC will provide City staff with more detailed feedback and recommendations separately, which will be based upon conversations EVAC members had with City staff at previous meetings on Sep 5, Nov 5, and Nov 6, and an additional meeting.

Timothy said he is in support of producing recommendations rather quickly, and is unclear exactly when the Sustainability Office makes decision about how funds are actually going to be allocated. Kim said for the major ones (like HES and Green Cost Share) they will move forward with those in December. Queues exist for both programs so they want to be able to execute contracts in 2019 and begin them on January 1, 2020. The other programs are not as time-sensitive. Luke added that they are already beginning to put things into motion, but until the budget is passed they cannot finalize their plans. Patrick Hanlon stated that as a general practice City staff do not lobby regarding overall Council budget amounts prior to the City Council vote. After further discussion, EVAC members decided that it would be useful to wait until after the City Council votes on the budget on December 11. When it knows the exact amount of funding available Becky and Patty will schedule a meeting for EVAC to come up with their recommendations to the Sustainability Office. Luke recommended they focus their conversations on programs for which questions came up, such as passive house programs and workforce development.

Timothy mentioned that his organization could potentially benefit from at least one of these programs, and he believes other EVAC members face a similar situation. He wondered if that should be disclosed or if they should recuse themselves from voting. The recommendation from City staff was that in order to avoid conflict of interest they should recuse themselves from voting on specific recommendations for funding, but that it was okay to vote today on the more general motions.

Patty called for a vote on the second resolution. John moved that the resolution be approved; seconded by Elizabeth Turner. Motion CARRIED.

6. Partner Updates

a. December 2 PECE Committee Items

Kim reported that 900 jurisdictions in eighteen countries across the world are declaring climate emergencies. This is intended to accelerate and prioritize the work that is

happening to bring this forward. Last week 11,000 scientists came out with a report indicating the massive impacts on human health and species degradation, and they are all saying we need to declare a climate emergency. Since the City is a leader on sustainability, a request for Council action has been drafted to declare a climate emergency. On December 2 there will be a presentation at the PECE Committee, and as a follow-up to that they will take action that would set a social cost of carbon (approximately \$50/ton as determined by Minnesota PUC) and have staff direction to develop a sustainable building policy for any project that is receiving assistance or is directly owned or leased by the City of Minneapolis.

- b. Bridget announced that Xcel Energy is offering LED lighting bonuses through the end of the year while supplies last. She distributed a list of places within the City where LED lights can be purchased at a deep discount. Also available at the request of some EVAC members are a few copies of Xcel's Energy response to the City's RFI for 100% renewable electricity.

The meeting was adjourned at 7:02 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

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