

Minneapolis Clean Energy Partnership
BOARD MEETING
Doty Board Room, Minneapolis Central Library
Monday, September 16, 2019
3:30 – 5:00 p.m.

2019 Q3 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 (Vice Chair), Brad Tutunjian and Todd Berreman (alternate) from CenterPoint Energy; Bria Shea and John Marshall from Xcel Energy.

Board members excused: None.

Planning Team present: Sara Barrow, Bridget Dockter, Kim Havey, Luke Hollenkamp, Kennedy Kruchoski, Heidi Ritchie, Emma Schoppe, Al Swintek, Karlee Weinmann

Guests/Staff present: Sally Bauer, Zoe Bourgerie, Carter Dedolph, Timothy Denherder-Thomas, Chris Duffrin, Robin Garwood, Patrick Hanlon, Nick Mark, Nicole Martin, Marcus Mills, Rebecca Olson, Lee Samelson, David Zaffrann, Nick Martin

1. Welcome and Introductions

Mayor Jacob Frey called the meeting to order at 3:33 p.m. Mayor Frey invited Clean Energy Partnership (CEP) Board Members and staff to introduce themselves. Mayor Frey noted that 2019-to-date has been the second wettest on record and that additional precipitation is having a huge impact on our infrastructure. Climate change is definitely happening and affects the way we conduct business. It is an expensive reality we must deal with.

2. Review and Approve Agenda and Minutes

Mayor Frey asked for a motion to approve the agenda, as well as the minutes from the 2019 Q2 CEP Board Meeting. It was MOVED and SECONDED that the minutes from June 17, 2019 be approved. Motion CARRIED. It was MOVED and SECONDED that the agenda for September 16, 2019 be approved. John Marshall, Director of Community and Government Relations at Xcel Energy, requested addition of an agenda item on rental energy disclosure and data privacy. It was MOVED and SECONDED that the agenda for September 16, 2019 as amended be approved. Motion CARRIED.

Recognizing that the CEP Board has been without a Vice Chair since the retirement of Adam Pyles in late 2018, Mayor Frey nominated Amber Lee, Director of Regulatory Affairs for CenterPoint Energy, to fill that position. It was MOVED and SECONDED that Amber Lee be appointed as Vice Chair. Motion CARRIED.

3. Rental Energy Disclosure and Data Privacy

John Marshall, Director of Community and Government Relations at Xcel Energy, acknowledged and praised the policy leadership at the City that has driven the effort on

leveraging energy disclosure and transparency in energy information. Since passage of the three ordinances, Xcel Energy has been working with the City and others on implementation to get to a successful outcome and achieve goals. In hindsight, the lead up to creation of energy policy has been a good lesson. Xcel Energy was not involved in the creation of the Time of Rent ordinance until late in the process and had they been brought to the table sooner or given earlier lead times they might have helped to find more expedient mechanisms to fulfill it. Two mechanisms that are in place today are an electronic option to check a box on Xcel Energy's website, the customer's My Account page. A customer can check authorizing release of information, and a paper option of a release that is available on the website.

John Marshall recommended the data privacy discussion be continued in the PUC docket that has been proposed by the Citizens Utility Board (CUB) to address current restrictions and policies that preclude sharing of energy information. All of the parties that would need to be involved in this discussion will engage in the PUC docket.

Council Member Schroeder requested clarification and more specific information on what did not work or was missed in the creation of the policy. On data privacy, he added that more data access will result in better programs. Council Member Fletcher added that some of the innovative work the City has done around data and privacy concerns generally might offer some insights on ways to manage this. He agreed with CM Schroeder that policymakers and City staff do need data access to make good decisions.

Council Member Gordon said that the 2019-2021 Work Plan approved in November 2018 contained a partnership activity to support residential energy disclosure policies through data aggregation accessibility and tools. Prior to work plan adoption, it had been vetted by the Planning Team, and the Partnership has been working to co-create the policy for a long time.

CM Gordon made the following motion, which was co-authored and seconded by CM Schroeder:

The Clean Energy Partnership calls on all partners to work together to develop data privacy policies that will enable the effective implementation of the Minneapolis Energy Disclosure ordinances and effective analysis of commercial and industrial property energy use. These policies could include, but are not limited to:

1. Building Data: Follow Xcel Energy's policy in their Customer Data Privacy Notice and disclose data as required by local law (in this case the City of Minneapolis), thereby reducing the utilities' burden on landlords in complying with the time-of-lease energy disclosure ordinance.
2. Community-wide Data: Adopt a new standard for aggregated community-wide energy data that is less restrictive than the 15/15 threshold. Instead, establish a lower community-wide threshold, such as 4/50, thereby eliminating the current data roadblock to the City receiving separate commercial and industrial annual electricity consumption data from Xcel Energy.

3. Better define customer consent: Inclusion of affirmative consent by a tenant to have their energy use shared with a rental property owner as part of a lease can and should be treated as consent, without burdensome and duplicative utility consent form processes.

The Partnership also calls on all Partners to develop data sharing tools, in conformance with Partnership Activity EE.5 from the Clean Energy Partnership 2019-2021 Work Plan (Page 13): *“These tools will, in part, allow multi-family and single-family property owners to readily access necessary energy usage data in a format easily shared with the city, prospective tenants and future homebuyers. Partners will co-create data outputs that provide valuable information to tenants and homebuyers about the energy use of the home or apartment and how to participate in energy efficiency programs available to property owners and tenants.”* These tools should be developed as soon as feasible. If it becomes necessary to make these tools available to a subset of rental housing types first, as the privacy policies or changes described above are in development, that is preferable to prolonging the timeline for all properties.

Bria Shea, Director of Regulatory and Strategic Analysis for Xcel Energy, affirmed that Xcel Energy wants to be a partner in energy data and what that enables, but as a regulated utility is constrained by PUC dockets and rulings as well as other local and federal laws. The 15/15 threshold mentioned in Paragraph No. 2 of the motion is mandated by the PUC. As John mentioned, an advocacy organization has opened a docket with the PUC calling for more expanded data release.

Mayor Frey asked for explanations of the 15/15 and 4/50 thresholds. Bridget said to provide energy usage information, 15/15 means that you must have at least 15 customers in an aggregation and any one customer cannot use more than fifteen percent of the total aggregated consumption. The 4/50 is a threshold for customers in buildings of four or less meters, and means no one customer can be more than fifty percent of the energy used.

Addressing CM Gordon, Bridget explained that the concern expressed by John refers to data on multi-family units (five or above), which is already available through a data aggregator. The building owners can provide that information. Bridget also said that on the 15/15 and 4/50 thresholds the PUC process said each utility should go forth and determine the best policy to protect their customers. There were many stakeholders in this process, but Xcel Energy chose 15/15 and 4/50 based on a set of California and Colorado data privacy rules that existed at that time and adopted that same process in Minnesota. When asked for clarification, Bria confirmed that Xcel Energy could opt to file a different data threshold with the PUC.

John, acknowledging that the motion is well-intentioned and all of the Partners are driving to achieve the goal of climate impact by leveraging data that is available, said the challenge with the motion is that Xcel Energy cannot comment or even infer on a regulatory ruling or open docket. He said Xcel Energy cannot support the motion and suggested tabling it for further discussion.

CM Schroeder said that when the energy disclosure policy was approved, the point was made that one of the most difficult sectors to get data on was small residential. That has been the focus, and he believes the policy that was developed would utilize the Partnership and have the utilities provide the necessary data.

Amber, agreeing with John about regulatory restrictions on actual consent of the motion, said she could support working with the City to determine which policies need to change. CM Gordon explained that the specific items in Paragraphs 1-3 in the motion were offered as examples of what the policies could include with direction to staff for further development.

While he appreciated the discussion and buffer language, John said that approving the motion at this time would infer an opinion by Xcel Energy and again suggested tabling it until the next Board meeting. That would allow time for the CUB docket at the PUC to unfold and for the City to provide some specific direction. CM Fletcher said regardless of the CUB conversation currently taking place, the Partnership needs to do something together to make this work. He is against tabling the motion.

Amber moved an amendment to the motion, seconded by CM Gordon, that only the first sentence be kept and the rest be stricken, so the motion would read:

The Clean Energy Partnership calls on all partners to work together to develop data privacy policies that will enable the effective implementation of the Minneapolis Energy Disclosure ordinances and effective analysis of commercial and industrial property energy use.

Mayor Frey called for a vote on the amendment. Motion CARRIED. Mayor Frey then called for a vote on the underlying motion as amended. Motion CARRIED unanimously.

4. EVAC Co-Chair Update

Becky Olson said that since EVAC has not met since the Q2 Board meeting there is not a lot to report. [EVAC's Q3 meeting will be held on September 17, 2019.] She did report that EVAC has convened a small group to give feedback to the City on franchise fee allocations. At its first meeting the group discussed big picture, high level feedback on the proportionality between residential, commercial and industrial as well as ongoing versus innovative programs. The group will hold at least two more meetings, one focused on residential and the other focused on commercial/industrial. Becky thanked the City for inviting EVAC to provide feedback, adding that more formal feedback and recommendations would be presented by the end of 2019 when the City budget is more finalized.

5. 2018 Annual Report Presentation

Members of the Planning Team provided highlights of the Minneapolis Clean Energy Partnership 2018 Annual Report (Board Draft: September 10, 2019). [[Annual Report](#)]; Luke noted some improvements, including a metrics scorecard and seven key metrics that are now aligned to the City's climate and energy goals. Final reporting on the 2017-2018 CEP Work Plan is also included in the Annual Report, and the Planning Team is currently implementing the 2019-2021 Work Plan.

The metrics scorecard provides a quick and easy way to see what progress is being made on the City's climate, energy efficiency, and renewable electricity goals. Metrics that are on track are shown in green, metrics that are not on track are shown in red, and those shown in yellow do not have enough data or there is too much variability to determine their status.

- Metric 1 – Greenhouse Gas Emissions (Community-wide): Achieved its 2015 goal but is not on track to achieve the GHG reduction goals of 30% by 2025 and 80% by 2050. There has been a 17% reduction since 2006. In 2018 the largest emissions source was natural gas, followed by electricity and on-road transportation. The 2025 goal is achievable with a 100% renewable electricity scenario but likely falls short with Xcel Energy's 2017-2031 IRP scenarios. To achieve the 2025 goal all emissions need to be under ~3.6 M metric tons of CO₂e. The 2050 goal requires sectors combined be under ~1.0 M metric tons of CO₂e, and is not achievable with current trajectories and scenarios.
- Metric 2 – Greenhouse Gas Emissions (Municipal Operations): On track to achieve goal of GHG reduction of 1.5% annually, with a 44% reduction since 2008. Reductions have been driven by reduced carbon intensity of the electric grid paired with City subscriptions in community solar gardens and Xcel Energy's *Renewable*Connect* program.
- Metric 3 – Energy Use (Residential): Measures progress toward climate action plan goals to achieve a 15% reduction in residential energy consumption by 2025. In 2018 energy use was 6% above the 2011 baseline. Year-to-year variations align closely with weather trends, with increased energy use for heating during very cold winters. Because of these fluctuations in energy use tied to weather it is not clear at this time if this metric is on the necessary trajectory to achieve the goal. However, it has been shown that utility and City programs are having a demonstrated impact on avoiding emissions despite growth in the residential customer base for both Xcel Energy and CenterPoint Energy. Home Energy Squad (HES) visits increased citywide in 2018, and Air Sealing & Insulation (ASI) rebates in the amount of \$138,000 were issued. Green Zones reflected increases in HES visits and a decreased disparity, especially in the South Green Zone, but there was no noticeable change in participation levels for ASI rebates.
- Metric 4 – Energy Use (Commercial and Industrial) measures progress toward climate action plan goals to achieve a 20% energy consumption reduction by 2025. In 2018 energy use was 6% above the baseline and this metric is not on track to meet goals. Like the residential sector, this sector's energy usage is tied to weather trends but to a lesser degree. Minneapolis commercial and industrial growth, the low cost of natural gas and economic activity all contribute to increased energy use in this sector. To help this sector achieve quantifiable energy savings CenterPoint Energy delivered more than 1,000 rebates worth \$1.2 million, and Xcel Energy delivered more than 3,000 rebates valued at close to \$8 million. The utilities offered *Energy Design* Assistance CIP for new construction and major renovations.
- Metric 5 – Renewable Electricity (Community-wide) measures progress toward 100% of renewable electricity use by 2030. In 2018 26% of electricity in Minneapolis was renewable, and it is unknown without more years of data if this metric is on track. The "action-based" methodology is based on decisions and deeds by parties within the City, and does not completely align with Renewable Energy Certificate ownership. The percentage of renewable in Minneapolis is determined by an adjusted grid mix plus local actions.

- Metric 6 – Renewable Electricity (Municipal Operations) has a goal of achieving 100% of renewable electricity use by 2022. In 2018 this sector achieved 45% of renewable electricity and is on track.
- Metric 7 – Renewable Electricity (Local and Directly Purchased) includes using Windsource, Renewable*Connect, and the solar garden programs to achieve 10% of renewable electricity by 2025. The substantial increase in 2018 over 2017 was due largely to use of Renewable*Connect and Solar*Rewards Community programs by commercial and business customers, although low participation with Green Zones largely remains.
- 2017-2018 Work Plan Highlights indicate several projects that are complete, two that are in process or on-going, and one that is expected to be complete in early 2020.

Following the presentation on 2017-2018 Work Plan highlights CM Gordon introduced the following motion, seconded by Mark Ruff.

The Partners will actively support updates to statewide building energy codes and energy efficiency standards, and recognize efficiency as a vital tool for meeting the City’s climate and energy goals even as the City’s population and building stock increase.

John said this motion is challenging for Xcel Energy as it was a delicate item on last year’s legislative process, and he would like to work with his legislative team to make sure this does not put Xcel Energy in a position in advance of next year’s legislative session. He understands the intent but is not comfortable with the phrase “actively support” and would not support this motion.

Amber seconded John’s sentiment about the phrase “actively support,” adding that she would be happy to participate in stakeholder meetings to get a better understanding of the intent and to develop a roadmap of where the Partnership wants to go. CenterPoint Energy cannot commit to this without communicating with its government affairs group.

There was discussion about removing the word “actively” or replacing the phrase with “explore.” Bridget said that one concern on the energy efficiency front is that Xcel Energy cannot support anything that would preclude their customers from being able to participate in energy efficiency programs if the City’s program goes beyond state code. Brad Tutunjian, Vice President Regional Operations for CenterPoint Energy, reiterated Amber’s comments about the word “actively.” He added that he could not support the motion because it was the first time he was seeing it and he has questions about the building energy codes, energy efficiency standards, and different perspectives on electric versus gas. However, he could support it with the word “explore” in place of “actively support.”

Mayor Frey moved to remove the word “actively.” There was no second. John stated that using the word “support” puts Xcel Energy in the position of saying they have determined a course of action, while “explore” keeps it ambiguous. “Not oppose” similarly puts Xcel Energy in the position of taking an action, and could not support that change. Mark Ruff, Chief Financial Officer for the City, asked if it would be valuable for the Planning Team to gain an

understanding of each Partner’s legislative strategy prior to the Q4 Board meeting so they could engage in a conversation about that.

It was MOVED and SECONDED that the following substitute motion be approved:

The Board directs staff to add an agenda item to the Q4 Meeting for each Partner to discuss their 2020 Legislative strategy.

Motion PASSED. (Unanimous)

It was MOVED and SECONDED that the word “actively” be removed from the original motion. Motion FAILED.

It was MOVED and SECONDED that the following amended motion, reflecting removal of the word “actively,” be approved.

The Partners will support updates to statewide building energy codes and energy efficiency standards, and recognize efficiency as a vital tool for meeting the City’s climate and energy goals even as the City’s population and building stock increase.

Motion FAILED. (Split Vote: City Representatives – Aye (CM Fletcher-Alternate voting in place of absent CM Schroeder); Utility Representatives – Nay (Todd Berreman-Alternate abstaining))

6. Inclusive Financing Next Steps

Although there was not adequate time for the Planning Team to present on inclusive financing [PPT 23], CM Gordon introduced the following motion:

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 buildings; and

Whereas, there exists 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 and Xcel Energy continues to explore technology and programs to advance the goals of the Partnership. The pilot program features will be based on the Q2 Board-adopted Inclusive Financing key features.

CM Gordon proposed that this motion would clearly put the CEP in support of CenterPoint Energy’s rate case before the PUC. The CEP has a lot of credibility with the City of

Minneapolis, and it would help to have this support if the City were able to positively intervene in the rate case.

Bria said that Xcel Energy does support the idea and as committed at the Q2 meeting will report in Q4 on its progress. Because it is highly unusual for one utility to be involved or voice an opinion on another utility's rate case, Bria proposed amending the motion to include the phrase italicized below that addresses what Xcel Energy is doing.

The friendly amendment was accepted by the author. It was **MOVED** and **SECONDED** that the following amended motion be approved:

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 buildings; and

Whereas, there exists 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 *and Xcel Energy continues to explore technology and programs to advance the goals of the Clean Energy Partnership*. The pilot program features will be based on the Q2 Board-adopted Inclusive Financing key features.

Motion PASSED.

7. Other Partner Updates

- a. Bridget gave a brief update on the Time of Use pilot. Welcome packets were mailed on July 22. Approximately 145 customers have opted out; opt-outs continue, and they are being replaced with backup customers. Minneapolis meters are expected to be rolled out mid-December through late February in the Seward, Corcoran, Bancroft, Powderhorn and Longfellow neighborhoods. The contract with the implementer is being finalized, and Xcel Energy is working through the community engagement plan.
- b. Other work plan progress report items were included in a separate document distributed at the meeting. [[Work Plan Progress Report](#)]

8. Adjourn

The meeting was adjourned at 5:02 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, marsha@castlevisions.com