Clean Energy Partnership
Q1 Board Meeting
February 27, 2020
Agenda

1. Welcome and Introductions
2. Review and Approve Agenda and Q4 Minutes
3. EVAC Co-Chair Update
4. Partnership Updates
5. 2020 Legislative Session Updates
6. Other Partner Updates
3. EVAC Co-Chair Update
4. Partnership Updates
EE.5: SUPPORT RESIDENTIAL ENERGY DISCLOSURE POLICIES THROUGH DATA ACCESSIBILITY AND TOOLS

SUMMARY
The City of Minneapolis will collaborate with Partners to create and modify tools to support compliance with a new set of residential energy disclosure policies for multi-family benchmarking, truth in sale of housing (TISH) and residential energy rental lease disclosures that the City will enact in 2019.

DESCRIPTION
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.

<table>
<thead>
<tr>
<th>Key Takeaways</th>
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<td>Project Lead</td>
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<td>City of Minneapolis</td>
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<td>Primary Support</td>
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<td>Xcel Energy and CenterPoint Energy</td>
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<td>Customer Segment</td>
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<td>Residential</td>
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<td>GHG Reduction</td>
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<td>1-2% annually</td>
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<td>Equity Element</td>
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<td>Yes</td>
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<td>Workforce Element</td>
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CenterPoint Energy Activities

Minneapolis Multifamily Benchmarking Policy (2019)
• Developed and launched data access and benchmarking tool.
• Coordinated with the City on education and outreach.

Minneapolis Truth in Sale of Housing Energy Assessment (2020)
• Piloting Energy Advisor Service from Center for Energy and Environment (CEE).

Minneapolis Time of Rent Energy Disclosure (2021)
• Requested PUC to consider energy use data privacy rules for 1-4 unit rental property tenants and property owners.
• Modifying benchmarking tool to calculate and disclose aggregated data for 5+ unit rental properties.
Xcel Energy Activities
(2015-2019)

• Current benchmarking tool allows aggregate data access for multifamily and commercial buildings 5+ units buildings to comply with City building benchmarking multi-family and time of rent ordinances.

• Comments to PUC to consider 4/50 and 15/15 data thresholds if energy use data privacy rules docket is opened.

(2020)

• Rebuild benchmarking tool to allow for current capacity needs.

• Modify benchmarking tool to enable implementation of City rental disclosure ordinance for 5+ unit rental property owners.
Considerations for Rental Disclosure Tools

- **Prospective Tenants**: Ease to access rental energy cost information
- **Existing Tenants**: Data Privacy
- **Property Owner/Landlord**: Ease to comply with City ordinance
- **City**: Ease to administer ordinance compliance
- **Utility**: Cost and technical feasibility; Customer Co-benefits
Rental Disclosure Tool Objectives

• Gives rental property owners access to aggregated data for 5+ unit buildings

• Calculates annual natural gas and electricity cost/sq.ft. and cost/rented bedroom using utility data and user information

• Displays live, privacy-protected, energy cost data via unique URL activated by property owner/landlord

• Connects users to building benchmarking tools and energy efficiency resources

• Benchmarking tool user experience supported by City of Minneapolis ordinance education and engagement resources
Partnership Activity IF.1
Improve Access to Energy Efficiency by Providing Inclusive Financing (Pilot)
5. 2020 Legislative Session Updates
CenterPoint Energy

Natural Gas Innovation Act
Largest natural gas distribution business in Minnesota:

- Serving
  - 860,000 customers
  - 260 communities
- Employing
  - 1,200 employees
• **Company objectives:**
  - Customer satisfaction
  - Demonstrate culture of innovation
  - Demonstrate commitment to environmental stewardship

• **MN state renewable goals**
  - “25 percent of the total energy used in the state be derived from renewable energy resources by the year 2025.” (MN Stat. 216C.05)

• **Minneapolis Clean Energy Partnership**
  - 30% GHG reduction by 2025; 80% by 2050

• **Some customer interest/inquiries over time**

  “Dramatic natural gas emissions reductions are crucial to the City’s science-based climate goals…”

To allow Minnesota’s gas utilities to take some initial steps towards using alternative lower-carbon resources rather than traditional natural gas.

Emissions from electricity used by Minnesotans have fallen by 29% since 2005*

MPCA: “The electricity generation sector’s steep reductions in GHG emissions in Minnesota have resulted from policies to reduce demand for electricity and shift generation to cleaner energy sources.”*

Little progress has been made in reducing carbon emissions from the use of natural gas.

NATURAL GAS INNOVATION ACT
OVERVIEW

• Definitions

• Legislative Intent: Natural gas utilities can assist the state in meeting existing renewable energy and greenhouse gas reduction goals

• Alternative Resource Plans

• Renewable Natural Gas Minnesota Inventory

Renewable natural gas can be produced from livestock waste, wastewater and landfills.
• Natural gas utilities may file alternative resource plans with the Commission
  – Optional for natural gas utilities
• An alternative resource plan will propose the use of innovative technologies such as:
  – Renewable natural gas
  – Renewable hydrogen gas
  – Energy efficiency in excess of CIP
  – Other innovative technologies that reduce or avoid greenhouse gas emissions

*Renewable electricity can be used to create hydrogen to augment natural gas heating in homes and businesses.*
Among other things, an alternative resource plan filing will include discussion of:

- Carbon intensity of resources included in the plan
- Forecasted greenhouse gas emission reduction or avoidance
- Whether the plan supports the state’s agricultural and waste management goals
- A description of third-party certifications and tracking of environmental attributes

Cost of an alternative resource plan must not exceed 5% of the utility’s annual revenue requirement.

New carbon capture technology lowers greenhouse gas emissions from heating.
• Minnesota Department of Commerce required to develop an inventory of the state’s potential biogas, RNG, and power-to-hydrogen resources

• Will include identification of biogas sources and discussion of best uses for each source (e.g. upgrade to RNG, use on-sight for power-generation, etc.)

• Cost for inventory assessed to CenterPoint Energy

Anaerobic digesters break organic waste into biogas, which can be used for energy, and digestate which can be used as fertilizer.
ENGAGING WITH OTHERS

• Support development of tracking and verification systems
• Support research, inventories
• Stakeholder Engagement
  – G21
  – Renewable Natural Gas Forum
  – Many conversations with customers, regulators, legislators, and other stakeholders
Xcel Energy

- Electric Vehicles
- Community Solar Garden Reform
- Solar*Rewards
6. Partner Updates
City of Minneapolis

In Dec 2019, the City:

1. Declared a climate emergency,
2. Established a social cost of carbon, and
3. Adopted a sustainable building policy.
Xcel Energy

- Integrated Resource Plan
- Integrated Distribution Plan
- Rate Case
Adjourn

Next Board Meeting:

May 15, 2020
1:00 - 3:00 pm
Location TBD