

**Minneapolis Clean Energy Partnership
BOARD MEETING**

Minneapolis City Hall, Room 319

Thursday, February 27, 2020

12:30 – 2:00 p.m.

2020 Q1 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) and Brad Tutunjian from CenterPoint Energy; Bria Shea and John Marshall from Xcel Energy.

Board members excused: Todd Berreman (alternate).

Planning Team present: Sara Barrow, Bridget Dockter, Peter Ebnet, Robin Garwood, Kim Havey, Luke Hollenkamp, Bjorn Olson, Emma Schoppe, Al Swintek, Karlee Weinmann

Guests/Staff present: Zoe Bourgerie, Chelsea Dearmond, Elizabeth Dickinson, Eric Immler, Timothy DenHerder-Thomas, James Doyle, Matt Kazinka, Rebecca Olson, Jim Pearson, Jean Ross, Tim Schaefer, Jamez Staples, Aaron Tinjum, Ross Corson

1. Welcome and Introductions

Mayor Jacob Frey called the meeting to order at 12:35 p.m. Mayor Frey noted he listened to a Daily podcast [Can Corporations Stop Climate Change?](#), February 24, 2020] which was about Larry Fink, who runs BlackRock – the largest money manager in the world – and writes a letter every January to potential investees explaining what he will be looking for in the upcoming year. In January 2020 his letter stated that climate change has to become an integral part of the investing thesis for companies, and more importantly, that CEOs and companies themselves now have to change and think about climate change. He added that if they don't, he will be pulling his money from them. Mayor Frey said that the Partners in the Clean Energy Partnership (CEP) are already striving to make that push, but corporations in America and the world need to recognize the importance of these investments from a financial as well as moral perspective.

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 Q4 CEP Board Meeting. John Marshall, Director of Community and Government Relations at Xcel Energy, made the following correction to the minutes, item 4.a: the phrase “100 percent carbon free goals by 2030” was amended to state “100 percent carbon free goals by 2050.” It was MOVED and SECONDED that the minutes, as corrected, from November 14, 2019 be approved. Motion CARRIED. It was MOVED and SECONDED that the agenda for February 27, 2020, be approved. Motion CARRIED.

3. EVAC Co-Chair Update

Rebecca Olson reported on Energy Vision Advisory Committee (EVAC) activity. There have been two meetings since the last CEP Board meeting: Q4 2019 and Q1 2020. At both meetings

CenterPoint Energy presented on and received feedback from EVAC members on its community energy profile dashboard. This tool was developed by CenterPoint Energy in response to Work Plan Item EE.1 which is to enable communities and CenterPoint Energy to target and market energy reduction programs to high residential gas users. EVAC members also provided feedback to the City on franchise fee increase-enabled funding, and were pleased that additional funding was provided for the Green Cost Share programs in the City's final adopted budget. In Q1 2019 EVAC and the City's Sustainability Division developed a process for EVAC to provide feedback on franchise fee increase funding, and as a result four meetings were held to give high level feedback. After the City's final budget was approved, more detailed feedback was provided by EVAC. At its Q1 2020 meeting EVAC members voted to send a letter to the Sustainability office and Partners stating their support for program funding allocation to date and offering some suggestions on tracking and passive house funding streams. In that letter they supplied a record of other ideas not in the 2020 budget that were offered by EVAC, but could be developed in subsequent years. Also, at the Q1 2020 meeting Xcel Energy provided an update on its Flex Pricing (formerly known as Time of Use) pilot and related community engagement activities. EVAC provided Xcel Energy a letter with program and community outreach recommendations.

4. Partnership Updates

a. **EE.5: Support Residential Energy Disclosure Policies through Data Accessibility and Tools**

Luke Hollenkamp provided an update on tools that are being created or modified by the Partners to support compliance with a new set of residential energy disclosure policies for multi-family benchmarking and a new evaluation component; truth in sale of housing (TISH); and residential time of rent energy disclosures (enacted by the City in 2019 and taking effect in mid-2021). These tools will allow for easy compliance with the time-of-rent policy by landlords. The Partners will co-create data outputs that provide valuable information to tenants and homebuyers about the energy use of the home or apartment.

Emma Schoppe reported that in support of the City's energy disclosure policies, CenterPoint Energy has undertaken the following activities:

- 2019: Launched its online benchmarking tools to help multi-tenant building operators access and benchmark their buildings aggregated energy use data, and coordinated with the City and Xcel Energy on education and outreach events to help users get set up on utility benchmarking tools and prepare for City compliance deadlines.
- 2020: Piloting the Energy Advisor Service from Center for Energy and Environment (CEE) to support the City's TISH energy assessment and help residents understand it and connect to energy efficiency resources like contractors and utility rebates. This effort will help meet the Partnership 2019-2021 Work Plan goal in EE.1 of doubling energy efficiency program participation in Minneapolis.
- 2021: Each Partner requested in formal filings that the PUC consider energy use data privacy rules for 1-to-4 unit rental properties and property owners. The Partners recently agreed on a path forward to facilitate ordinance implementation for 5+ unit rental properties.

Bridget Dockter said that in 2015 Xcel Energy and the City worked together on a Department of Energy (DOE) data accelerator project to create a building benchmarking

tool in Xcel Energy's system that would work cooperatively with the City's benchmarking ordinance. That tool is now in place, and allows for aggregated data access that complies with both Xcel Energy's current data privacy policies and the City's commercial and multifamily benchmarking ordinances. In 2019 Xcel Energy, along with the City and CenterPoint Energy, filed comments on the request to open a data privacy rules docket. In those comments Xcel Energy stated that if the Public Utilities Commission (PUC) wished to revisit the data privacy discussion the building unit threshold of 4/50 and the community threshold of 15/15 were originally of most interest to parties that participated in that docket. At this point the PUC has not yet taken up the case. In 2020, as more cities are passing benchmarking ordinances, the capacity of that original tool has been exceeded.

Xcel Energy is rebuilding the tool from the ground up, modifying it to enable implementation of the City's rental disclosure ordinance for 5+ unit rental property owners. The goal is to have it look and act similarly to one being developed by CenterPoint Energy, creating a similar experience for gas and electric customers. Xcel Energy plans to have the tool completed by the end of 2020 or early 2021, with the understanding that training, communication and outreach will need to happen before the ordinance is implemented in September of 2021.

Throughout 2019 the Partners met to discuss resource needs for implementation of the rental disclosure ordinance. They outlined the following considerations to measure potential solutions that could best support renter disclosure compliance.

- As the ordinance is intended to make rental property energy costs more transparent to a prospective tenant, the Partners want a process that allows a prospective tenant to easily access energy cost information.
- The Partners want to consider how an existing tenant's energy data is collected and shared to sufficiently protect data privacy.
- It is important that the process for compliance is not overly burdensome for landlords and property owners.
- The City is aiming for a process that is easy to implement and enforce.
- CenterPoint Energy and Xcel Energy are considering technical feasibility and cost as well as other potential customer benefits that can help justify resource allocation.

Given those consideration, Emma said the Partners have agreed that rental disclosure implementation tools should give rental property owners access to aggregated data for 5+ unit buildings; calculate annual natural gas and electricity cost per square foot and cost per rented bedroom using utility data and property owner-supplied information; display energy information that meets privacy protections; and connect users to building benchmarking tools and energy efficiency resources. To ensure the successful compliance with the City's ordinance and a positive user experience with utility tools, the Partners agree to coordinate on education and outreach efforts. CenterPoint Energy is in the process of outlining a scope of work and contracting with a vendor to make updates to its existing benchmarking tool.

Council Member Cam Gordon expressed his delight with this progress and appreciation for CenterPoint Energy and Xcel Energy in moving this forward. Council Member Jeremy Schroeder echoed CM Gordon's comments and thanked both utilities but especially CenterPoint Energy for consistently meeting the City's timelines, answering questions and enabling the City to roll this out.

- b. IF.1: Improve Access to Energy Efficiency by providing Inclusive Financing (Pilot)
Kim Havey provided some background on Inclusive Financing (IF), which has been discussed for years, along with some of the benchmarking and disclosure ordinances. In 2018 the City Council had a study session on IF, bringing in national experts and concluding that this was an avenue for pursuing some of the inequities between renters and landlords and accessing credit and financing for energy efficiency improvements in single-family homes and multi-family apartment buildings. Following that the City brought the IF discussion to the Partnership and in 2019 partnered with the Energy Transition Lab at the University of Minnesota to engage with Cadmus Consulting to complete a feasibility study, specifically looking at CenterPoint Energy and Xcel Energy territories along with areas in greater Minnesota. The conclusion was that there is a good opportunity to do some of the major improvements that can save energy, i.e. insulation, air sealing, and the potential to put solar electric on homes. The City looked at different types of programs and designs and decided to work with the Pay As You Save (PAYS) program, directed by Dr. Holmes Hummel, to build the program.

The Partnership decided in 2019 to support inclusion of a Minneapolis Inclusive Financing Tariff Pilot in the CenterPoint Energy rate case. The City will intervene and propose a tariff that would go forward with the IF program details. The program will be reflective of the Cadmus design and the PAYS model. The City is hoping to have its first request for the tariff put forth by May 15, with a response as part of the overall rate case by February 1, 2021. They are working closely with the City Attorney's office and Dr. Holmes Hummel to finalize details of the program.

5. 2020 Legislative Session Updates

- a. City of Minneapolis: Advanced Energy Standard
The City has been working in conjunction with the core planning team of cities which includes Bloomington, Edina, Minneapolis, Rochester, Saint Louis Park and Saint Paul, building off work that began in 2019 where they put forward a legislative bill sponsored by Representative Jamie Long and supported in the Senate by Dave Senjem. While progress was made last year the bill did not get past the finish line; however, it did get support from Governor Tim Walz. The request was to bring together some of the key players including the Department of Labor and Industry (DLI) and the Department of Commerce (DOC) to determine the best way to pursue a more energy efficiency building standard for commercial buildings (defined as four stories or more, residential or commercial). Governor Walz directed DLI and DOC commissioners to convene a stakeholder group which included two representatives from the planning team, Brian Hoffman from Saint Louis Park and Kurt Schultz from Saint Paul.

On a parallel path, they have been working with the City's planning team to share the opportunity with other cities. The City led an education and coalition building process, which entailed three meetings to hear interest and perspectives about the topic of advanced energy standard. More than 20 cities (representing more than one million Minnesota residents and eleven different utility territories across the state) have been engaged. There is strong support from the architecture community, design engineers, and League of Minnesota Cities, and in Q4 2019 CEP passed a resolution outlining principles of support for an advanced energy standard.

The final details of the bill are still being worked out, led by Representative Long and Senator Senjem and with assistance from CenterPoint Energy and Xcel Energy and other cities. In essence, the bill will follow DLI's standardized procedure for approving energy codes for the entire state. It will ideally be an accelerated code to get the state to net zero energy by 2036 with an advanced three-year opt-in for cities that want to pursue net zero energy by 2033. A report with final recommendations from the stakeholder meetings has just been released, embargoed to only stakeholders at this point. The report will be discussed at the group's next meeting on March 4, and following that meeting Representative Long and others will be working to incorporate as many recommendations as possible into the new bill language.

All of the major cities and many others in the State of Minnesota are committed to support this action to universally reduce carbon emissions and energy use by new building construction and major renovations of large commercial buildings. In response to CM Gordon's question about opposition to this initiative, Kim responded that there has been some opposition by housing developers, the contractor community, trades and labor. He added that because of the stakeholder process led by commissioners of DLI and DOC, there appears to be consensus from labor and the trades. John Marshall asked if the bill would be introduced this year. Kim said the intent is to introduce the bill this year, which means it would have to be heard in committee by March 13 before proceeding to the House and Senate. Whether it will move toward implementation is another question, and will depend on funding and the amount of administration time required. John requested that CEP be given an update and opportunity to continue the discussion before the bill is introduced, and CM Schroeder requested that the utilities be involved in the process.

b. CenterPoint Energy: Natural Gas Innovation Act

Amber Lee, Director of Regulatory Affairs for CenterPoint Energy, talked about a bill it has before the legislature that contains three operative sections. One sets forth a standard set of definitions around the technologies and fuels available for alternative resources. The meat of the bill is in the second section that sets forth a framework for a natural gas utility to ask the PUC for approval to run pilot programs to use alternative resources to meet energy demands outside of pipeline solutions. The final section calls for the PUC to do an inventory of potential renewable natural gas and hydrogen stock within the State of Minnesota. Senator Bill Weber is the author. After the bill passed the Senate Energy Committee on February 18, it was laid over in the Senate Finance Committee for further discussion on the fiscal note associated with it. The House author is Representative Zack Stephenson.

Mayor Frey inquired about fiscal notes associated with the bill. Amber replied that the fiscal note calls for a full-time employee at DOC, one or two full-time employees at the PUC, and additional funding to complete the inventory. The fiscal note is complicated because utilities are assessed for the services provided by DOC and PUC.

CM Gordon said this bill creates an opening that has not existed in the past, especially regarding innovative technologies. Amber agreed that they were trying to break into something new, and pointed to the meaningful stakeholder engagement around this effort including conversations with the City of Minneapolis. Many of these entities are involved in identifying carbon-free alternatives to natural gas in the G21 effort. The framework being put forth with this legislation is consistent with the efforts going on with G21.

In response to a question about hydrogen and natural gas, Brad Tutunjian, Vice President, Minnesota Gas Operations for CenterPoint Energy, replied that they are looking at using renewable resources like solar to take hydrogen from the water in the air and inject it into its facilities. The combustion from hydrogen is water, so it is a direct correlation. CenterPoint Energy is able to inject five percent hydrogen into its gas lines, resulting in a five percent reduction in greenhouse gas emissions. With modifications they hope to get that as high as twenty percent in the future.

CM Schroeder added that he is glad to hear about the innovation, but he thinks it would be helpful to know the timelines, the technologies we're not looking at, and how much market share there will be in the end. One criticism or hesitation on all of this is how much will it cost to look at this technology and at the end of the day what will we get out of it, especially as the other technologies are all so promising. The second point he made is that there is one technology we have known forever and that is reducing consumption via energy efficiency. Being able to talk about all of the other things being done to make sure that building insulating is to the highest level possible, and beefing up all of the energy efficiency programs in place at the same time this is being explored, would make a lot of sense and further the argument.

Amber responded to CM Schroeder's concerns. She said energy efficiency is defined as an alternative resource under the plan, so a pilot of energy efficiency could be done that is not currently available under its existing CIP program. She agrees that the best way to decarbonize is to reduce the load. Regarding the end result, Amber said that through the engagement efforts with the stakeholders CenterPoint Energy has been able to get concrete milestones, benchmarks, reviews and analyses in place for the approval and evaluation of the pilot. To be able to continue the pilot in additional years after year one, they must demonstrate incremental progress toward the State goals. This is a place to get started, then see where we are five years from now in terms of cost-effectiveness of the carbon reduction, and at that point determine if there is a better technology other than what is being experimented with. The program could be taken in a different direction or started over from scratch. Brad applauded the team's efforts in recognizing the point of the pipeline solutions because it is evolving technology. A lot of this was spurred by the

renewable natural gas, but there are other things in the mix that have been successful in California like hydrogen injections.

Brad said one aspect of reusing that he is excited about is methanization. That combines the hydrogen process in the carbon capture, so when a facility burns the combustion will be captured and mixed with hydrogen to create a methane to be reused.

c. Xcel Energy: CSG Reform, Solar*Rewards, Electric Vehicles

John Marshall invited Jim Pearson, Manager of State Government Affairs for Xcel Energy, to provide updates on three topics. Jim said that while Xcel Energy does not have any issues at the legislature that they are specifically being proactive on this year, and are deeply engaged in a number of conversations including electric vehicles and solar programs.

There is a lot of interest in the topic of electric vehicles (EV) among customers and in the legislative arena. There are challenges in terms of getting the coalition together to be successful at the legislature. Xcel Energy is focused on three aspects, the first being EV initiatives that Representative Long has a bill on that involve upfront financial incentives to purchase a new or used EV. That bill, which was introduced last year and is being discussed this year, has a good coalition of support with auto dealers, electric utilities, and other environmental interests. Another part is the infrastructure piece. The Minnesota Pollution Control Agency has done a lot of work on this using VW settlement dollars. Xcel Energy is talking to Representative Long and others about what the utilities' role can be, and how those efforts can be augmented. There is also a lot of interest in transit buses and school buses. A hearing on this was held last week, and Xcel Energy is engaging with Representative Stephenson and others about how they can partner on helping with the upfront capital cost and infrastructure. There are a lot of pieces to the EV conversation that Xcel Energy is excited about. The big piece in terms of legislation is Governor Walz's bill (which has not yet been introduced) around energy efficiency and optimization which includes language about beneficial electrification that allows Xcel Energy to work with its regulators to advance an EV strategy.

Regarding community solar, there has not been a lot of interest in the Senate yet but in the past week a lot of committee time has been spent on that program. This is the third year that the legislature has been discussing Xcel Energy's community solar program. The conversation has become more constructive over time with the Minnesota Solar Energy Industries Association and some of the solar developers and legislators trading ideas with Xcel Energy. Testimony continues at the legislature, and while a lot of reform ideas and suggestions for improvement have been offered, consensus has not yet been reached on a path.

The other solar conversation involving Xcel Energy is its Solar*Rewards program. Legislation from last year will be picked up this year. Those hearings have not yet happened but the Senate will likely be the first to hear the Solar*Rewards bill which is less controversial. The issues to be discussed include what things can be utilized from administering the program since 2010 that can make it better, the appropriate level of

funding, and whether it should be extended beyond its current sunset of 2021. There have been tremendous price declines in solar so at some point it may not need to be incented.

Xcel Energy is also involved in the Clean Energy First conversation but is not as deeply engaged or at the center of some of the controversy in the Senate as are other parties. Essentially there has been a lot of work since last year, in particular on the Senate side, to attempt to find a balance between moving to a clean energy electrical grid statewide, the pace at which this is done, and how it can be done with affordability in mind. More amendments are anticipated in terms of large power and the mining industry, but at this point Xcel Energy is staying on the sidelines until it sees some progress being made.

Another topic addressed by Jim was Xcel Energy's unique relationship with Evergreen Energy or District Energy in the City of Saint Paul. Its contract with them expires within the next couple of years so they have engaged in discussions about how they can shift the dialogue away from contracts issued between two parties and instead align as partners in the framework of Saint Paul's climate action resiliency plan and move in the same direction as Governor Walz and his administration. Xcel Energy has a draft framework of the Capital City Clean Energy Act, which is similar to the City of Minneapolis' advanced energy standards, to lay out a path toward electrification. District Energy brings a lot of value to Saint Paul's downtown area, and they are looking at ways to remove some of the environmental impacts to help Saint Paul become a carbon-free downtown and take those lessons beyond.

The last topic Jim discussed was Xcel Energy's Renewable Development Account, which was changed a couple of years ago to become part of Minnesota Management and Budget. There is a lot of legislative interest in spending that down for specific projects. Although it is a legislative decision Xcel Energy continues to monitor the account and offer its opinions. John thanked Jim for the updates, and added that Xcel Energy is especially excited by the Saint Paul district energy project.

CM Schroder had some follow-up comments. In regard to community solar gardens (CSG), he recalled that in the past Xcel Energy was the bottleneck for getting new CSGs online. Any reform that allows more people to get on faster and to make the process easier would be a positive step forward. While he applauds Xcel Energy's view on decarbonizing as quickly as possible from a distributive system, he said the City also brings in equity considerations, so it is not just about bringing the carbon down as quickly as possible but also being able to have people in charge of their utility sovereignty. CSGs would help with that in areas that do not have access to resources. With the model that exists, the cheapest way to get renewable right now is to build a very big system out in greater Minnesota because the land is cheap. However, that land should not be cheap but should be used for growing food and other uses. His last comment had to do with the roadblock that happens every legislative session involving bills that CenterPoint Energy or Xcel Energy do not support that other cities are doing. What has been an improvement over time is to have those hard conversations to say we are very much opposed to this because it is against our Clean Energy Partnership goals. Last year it seemed better because the utilities were saying "no", yet the legislators did not seem to be accepting

that message. He encouraged the utilities to use clear language in stating opposition to the bills, which would be helpful to relationships within the Partnership.

CM Gordon is intrigued by Saint Paul's Carbon-Free Capital City initiative and wondered if the City of Minneapolis could be in a position to benefit from something similar especially in light of the work of the Clean Energy Partnership and Minneapolis having two district energy companies. John said that Xcel Energy is very mindful of equity and the balance between Saint Paul and Minneapolis. Saint Paul has an existing infrastructure on the thermal side. Xcel Energy will be looking for potential outcomes of the pilot and how to scale it for possible implementation in Minneapolis. Regarding CM Schroeder's concern about equity with CSGs, John offered to unpack the mechanics of the gardens. He said equity has been a big part of the discussion, and he offered to go into the details in a separate meeting.

6. Other Partner Updates

a. City of Minneapolis

- i. Mayor Frey provided a brief history of the City's work on climate issues over the past several years. In 2013 the City passed the Climate Action Plan, and in 2018 it passed goals of going to 100 percent renewable electricity in city enterprise buildings by 2022 and citywide by 2030. Experts agree that the status quo will not be enough to deal with climate issues that are happening faster and at more grave levels than anticipated.

CM Schroeder reported that in December 2019 the City, recognizing that we are in a climate crisis and needing to be doing so much more, declared a climate emergency. To reach the goal of cutting emissions by 80 percent by 2050, the City has to address every part of its operations. To help achieve that goal the City also adopted a sustainable building policy which will set higher standards for buildings that receive City funding. Although the City is up against State building codes (unless it provides additional funding to a specific project), it plans to set a higher standard for multi-family homes, single family homes, and economic initiatives as well as any buildings the City owns. The City wants to ensure a workable standard to set the tone, and hopes to create a high ceiling for developers who want to build in the City.

CM Gordon said that in December 2019 the City also adopted a resolution identifying the social cost of carbon as \$42 per ton per year as calculated by the PUC. There are bigger costs to burning carbon that produces pollution and the City has to pick up the tab for impacts caused from combusting fossil fuels. The City will start taking these external costs into consideration in its decisions about investing in buildings or buying vehicles. When Mayor Frey questioned why it is considered "per year" Kim explained that it is looked at over time, for example what would be emissions of a combustion engine over the lifecycle of that timeframe. It is not repeated on an annual basis, but it does calculate how much emissions would be from driving a car 12,000 miles in year one through year ten. Bria Shea, Xcel Energy's Director of Regulatory and Strategic Analysis, added that it changes on an annual basis, so next year it could be more or less per ton.

John Marshall asked what the next steps would be. CM Gordon said the City is in discussions about next steps, but is clear on incorporating this into the City's spending. Mark Ruff, Chief Financial Officer for the City of Minneapolis, said there are two levels. One is a payback analysis on any particular improvement, and by adding the social cost of carbon into any remodeling project it may alter the City's decision-making about how to apply those upfront technologies. The other is standardizing the approach on what types of vehicles the City will purchase. Another area of interest is how this affects capital budgeting and changes prioritization of types of projects that rise to the top.

Luke added that the City's use of a cost of carbon standard is not new. In 2017 the City performed an EV fleet study which took into account the social cost of the emissions reductions on electric vehicles versus internal combustion vehicles. That study, which was performed by a consultant, contained a figure for social cost of carbon based on Environmental Protection Agency estimates. In the future the City wants to use that type of analysis for capital planning across the City enterprise.

b. Xcel Energy

i. Integrated Resource Plan

Xcel Energy's resource plan was filed July 1 and covers all of its upper Midwest states. Xcel Energy proposes retiring all of its coal by 2030, adding renewables, expanding the Monticello nuclear plant which is a great contributor toward carbon goals, and adding new natural gas for reliability and renewable integrated. Since last July they have had a commission hearing, additional conversations with stakeholders, added a new modeling tool, and on April 1 will be submitting a supplement that reveals a new preferred plan. That will be followed by comments later this year or early next year, so the timeline has been extended somewhat.

Xcel Energy is proud to announce that it set a single year carbon cutting record for 2019 of 10 percent, is at 44 percent over 2005 levels, and over halfway to the 80 percent by 2030 goals. The resource plan helps it continue that path.

ii. Integrated Distribution Plan

Bria said the distribution plan, which was filed on November 1, contains Xcel Energy's proposed investments in its advanced grid initiative which will help it advance technology and meet customer expectations. On March 5 a senior executive with Xcel Energy will have a discussion with the PUC on this plan before a decision is made. Comments will be in March and April, and a decision by the PUC is expected before June.

Council Member Fletcher asked if any of the advanced grid infrastructure improvements will be in the City of Minneapolis. Bria replied that the improvements are all over its service territory, with the big investments being meters for all customers, communications and reliability. The Time of Use pilot is also part of the

advanced grid initiative. Bria offered to look into what will be done in the City of Minneapolis, and invited the Partners to follow up with her following the meeting.

iii. Rate Case Update

The rate case was filed by Xcel Energy on November 1, and on that date they also filed an alternate path that was a continuation of its current multi-year rate plan. As part of that extension of the current multi-year rate plan Xcel Energy asked if it could extend its sales forecast true-up, property tax true-up and capital spend true-up. If the PUC approved the extension Xcel Energy would withdraw its rate case. In December the PUC approved the extension and as a result Xcel Energy did not increase rates on January 1. This is a win-win in that Xcel Energy avoided the rate case and customers did not experience a rate increase.

7. Adjourn

The meeting was adjourned at 2:00 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