

2019-2021 Work Plan Progress

As Incorporated into the 2019 Annual Report and Presented to the Q3 Clean Energy Partnership Board

Progress to Date (August 2020)

EE.1 REDUCE NATURAL GAS USE FOR RESIDENTIAL CUSTOMERS

EE.1 aims to double residential participation in building envelop and high-efficiency equipment programs across the City. EE.1 proposes to use data-driven strategies to identify and engage customers with high energy savings potential with a specific focus on the City's Green Zones.

In 2019, participation in CenterPoint Energy's Home Insulation rebate program doubled in large part due to Minneapolis, with assistance from the Center for Energy and Environment, offering Home Energy Squad co-pays and buying down interest rates to 0% for insulation projects.

CenterPoint Energy contracted with ILLUME, a consulting firm with expertise in energy data, to develop a process to map and profile energy savings potential and customer characteristics across geographic areas. EVAC was engaged at the end of 2019 and again in early 2020 to provide feedback on CenterPoint Energy's Minnesota Community Profile Dashboard which uses Tableau software to map CenterPoint Energy's Conservation Improvement Program participation data, CenterPoint Energy customer natural gas use data, and Census demographic data. The tool plus labor costs for this effort is estimated to be \$250,000 by the end of 2020.

In 2020, CenterPoint Energy and ILLUME are making refinements to the Dashboard based on EVAC feedback. CenterPoint Energy is engaged with additional stakeholders, including Home Energy Squad vendor, Center for Energy and Environment, and other community stakeholders, like the City of Bloomington and Prospect Park Association, in using the Dashboard to deploy targeted engagement strategies and track progress towards goals.

CenterPoint Energy and ILLUME are finalizing a Minneapolis specific Dashboard analysis that will inform targeted engagement strategies and provide a process for setting and tracking climate and equity goals.

In addition, CenterPoint Energy has started to engage insulation contractors and develop a process to offer point of sale home insulation rebates to address the upfront cost barrier for customers pursuing these types of projects. The Company hopes to make this offer available by fourth quarter of 2020.

EE.2 REDUCE ENERGY USE FOR HIGH ENERGY SAVING POTENTIAL COMMERCIAL CUSTOMERS

EE.2 has the Partners coordinating on engaging commercial buildings with high energy use and energy use intensity.

Xcel Energy continues to work on completing the contracting to its software vendor to help address the City's bottom 25% performing benchmarked buildings for this pilot project. In the interim, Xcel Energy and CenterPoint have finalized their reviews of the City's benchmarked bottom 25% Energy Star score building list for previous program participation and potential for future opportunities – considering the

current economic impacts of the Coronavirus Pandemic. The utilities and the City have met to discuss possible Green Cost Share program interaction. The utilities are meeting again to finalize an electric/gas account management approach and launch the effort.

In CenterPoint Energy's 2021-2023 CIP Triennial filings, the Company proposes to begin to coordinate efforts related to their respective energy audit programs for commercial buildings. The utilities propose maintaining their existing commercial energy audit services for customers that are not served by both utilities or prefer to address issues specific to either fuel source. However, starting in 2021, the utilities are prepared to coordinate on outreach, intake, and delivery of their program for interested customers. These modifications were informed by a third-party evaluation of CenterPoint Energy's Natural Gas Energy Analysis program, which found that customers expressed different opinions about a joint gas and electricity energy audit offering. The draft evaluation will be filed in CenterPoint Energy's CIP Triennial Plan Docket No. G-008/CIP-20-478 at the request of the Department of Commerce.

In response to the widespread acts of property damage in the Twin Cities in May and June, Xcel Energy and CenterPoint Energy are offering increased incentives for affected properties. These offerings include free consulting services for Xcel Energy and CenterPoint Energy customers, double rebates for qualifying electric efficiency measures and triple rebates for qualifying natural gas efficiency measures.

EE.3 PURSUE ENERGY EFFICIENCY "PERFORMANCE PATH" AT CITY FACILITIES

EE.3 aims to improve energy efficiency in City facilities.

Xcel Energy developed a pilot program to test with the City of Minneapolis in their facilities. This program is designed to incentivize higher levels of customer engagement in energy efficiency with higher levels of utility engagement through assessments/studies and rebates. Xcel Energy has been working with the City's Energy Manager to help achieve a pilot goal of 10% electricity use reduction in City facilities.

As part of this pilot, additional building needs assessments were completed and found minimal new opportunities beyond previous work the Partners have done together, which has included building needs assessments, lighting upgrades, HVAC system upgrades, and street lighting LED conversion. Building Operator Certification (BOC) training for City employees is currently being explored. Once the City Energy Manager determines who may participate in the BOC training, Xcel Energy will schedule to the needs of the city.

CenterPoint Energy conducted site visits to evaluate over 70 gas meters at City facilities for possible upgrades for automated daily meter reads. City Facilities staff reviewed the information on meter upgrade potential and costs and has decided to proceed with upgrades to two-thirds of the evaluated meters at the City's expense.

EE.4 FIELD TEST ENERGY EFFICIENCY AND CARBON CAPTURE TECHNOLOGY

EE.4 aims to pilot energy efficiency and carbon capture technology, called CARBiNX at commercial facilities in Minneapolis and surrounding suburbs.

By the end of 2019, CenterPoint Energy had recruited and contracted with eight customers to pilot nine CARBiNX units in Bloomington, Minneapolis, Edina, Columbia Heights, Plymouth, Elk River, Fridley, and Anoka. And, the first CARBiNX unit in the Country was delivered to the Radisson Blu at the Mall of America. The City of Minneapolis signed a contract to host a CARBiNX unit at its water treatment facility in Columbia Heights. CenterPoint Energy is covering all pilot costs expected to be \$15,000-20,000/customer.

In 2020, the CARBiNX pilot experienced delays due to permitting challenges and COVID-19. While permitting the CARBiNX unit is permissible under current law, permitting is at the discretion of building code officials who are not familiar with the technology and have to prioritize more standard projects. Therefore, CenterPoint Energy and the makers of CARBiNX, CleanO₂ Technology, have had to invest more time and resources than expected into municipal code official engagement. A virtual meeting was held in late June, to provide a demonstration of the technology and determine permitting criteria and procedures with code officials. The pilot also experienced several months of delays as code officials and project partners focused on other work related to adjusting to COVID-19.

CenterPoint Energy is working with City of Bloomington code officials to prepare their precise permitting criteria and process requirements for this technology. Meanwhile, CenterPoint Energy and the City have plans to discuss additional CARBiNX pilot opportunities in Minneapolis.

EE.5 SUPPORT RESIDENTIAL ENERGY DISCLOSURE POLICIES BY MAKING DATA ACCESSIBLE WITH TOOLS

EE.5 proposes new and enhanced utility data access tools to support implementation of the City's energy disclosure policies.

In 2019, the Partners met several times to better understand the City's Time-of-Rent policy implementation needs, the data privacy regulations, and the utilities' technical and resource capacity.

In 2020, the Partners agreed on a path forward that balances ease of Time-of-Rent policy compliance for rental property owners with protecting customer's data privacy in buildings with 5+ units. CenterPoint Energy contracted with Accelerated Innovations to modify CenterPoint Energy's Data Portal by the end of 2020 to accommodate the City's Time-of-Rent ordinance compliance features. The tool modifications and labor costs are approximately \$50,000.

Xcel Energy will either rebuild its current benchmarking tool with the addition of a Time of Rent tool or create an extension of the current benchmarking tool that can meet the needs of the city's Time of Rent ordinance. Xcel Energy expects to complete this work by the end of 2020 or early 2021. Total costs are yet undetermined.

The Partners will consider next steps for time-of-rent compliance strategies related to rental property owners of 1-4 unit buildings. The Partners had requested that the Minnesota Public Utilities Commission (PUC) address this issue under DOCKET NO. E,G-999/M-19-505. While the PUC did not

address the issue on their first hearing in the docket in July 2020, the PUC indicated that they would leave the proceeding open and continue considering issues raised.

In 2020, CenterPoint Energy is providing up to \$60,000 to pilot Center for Energy & Environment's Energy Advisor service to support implementation of the City's Truth in Sale of Housing (TISH) energy reporting requirement.

RE.1 INSTALL ELECTRIC VEHICLE INFRASTRUCTURE FOR CITY FLEET

RE.1 spurs the transition to an electric vehicle fleet for the City of Minneapolis.

Xcel Energy and the City have finalized the Customer User Agreement and are awaiting formal approval by City Council. Xcel Energy and the City are working with program designers to lay out a formal plan for review and implementation. Charging infrastructure will likely be installed at the Aldrich facility, Fridley Water Plant, and Federal Court House Ramp.

RE.2 ACHIEVE 100% RENEWABLE ELECTRICITY FOR CITY ENTERPRISE AND COMMUNITY PATHWAY

RE. 2 creates a pathway to the City's 100% renewable electricity goal.

In 2019 the City issued a Request for Information (RFI) to meet its 100% renewable electricity goal for both city enterprise and communitywide by 2030. Xcel Energy responded to the RFI.

The City and Xcel Energy have met multiple times to discuss potential renewable options the City is interested in.

The City intends to release two Requests for Proposal (RFPs) in the near-future: one to provide most of the City enterprise's electricity needs with renewable electricity and the other to provide 10% of the City enterprise's electricity needs with locally sited renewables.

RE.3 PROVIDE SOLAR GARDEN AND ENERGY EFFICIENCY OPPORTUNITIES FOR LOW-INCOME COMMUNITIES

RE.3 aims to establish a low-income community solar garden.

The Renewable Development Fund (RDF) grant recipient has submitted the adjusted grant contract to Xcel Energy. It is currently under review and Xcel Energy is working with the grant recipient to acquire necessary information to develop a Public Utilities Commission filing for approval. The amended contract will be filed within 60 days of receipt of completed information. Subscribers may be identified through the City's 4D program and energy efficiency roll-out plan.

WD.1 IMPROVE EQUITABLE ACCESS TO CLEAN ENERGY JOBS

WD.1 aims to build the Partner’s collective understanding of the obstacles and opportunities of achieving a diverse clean energy workforce.

Throughout 2019, the Partners engaged in efforts to study workforce conditions in Minneapolis and Minnesota, including the City’s [Renewable Energy and Energy Efficiency Workforce Assessment](#) and the Minnesota Energy Utility Diversity Group Report.

Since the adoption of the Work Plan in late 2018, the workforce situation in clean energy jobs, like all parts of the economy, has been altered due to the pandemic. The Partners are in the process of beginning new conversations reflective of the evolving workforce situation.

Xcel Energy highlighted in its recent COVID-19 Relief & Recovery filing (Docket No. 20-492), that in 2019, the Company (all operating companies) spent \$480 million with businesses owned by women, minorities or veterans. This spending supported 3,625 jobs and \$179 million in wages. The Company expects to spend \$599 million in 2020. In Minnesota, Xcel Energy spent almost 85 million on diverse suppliers in 2019. As part of its commitment to supplier diversity, the Company has established the “Xcel Energy Supplier Diversity Program,” which develops and strengthens business relationships with diverse suppliers.

CenterPoint Energy filed its 2019 Conservation Improvement Program (CIP) Status Report which provides information about the diversity of its CIP vendors. In 2019, CenterPoint Energy’s Minority and Women Business Enterprise (MWBE) CIP vendor spend was \$1,725,763 or 14% of the total CIP Vendor Spend, an increase from 10% in 2017. The Company notes that \$5,886,116 or 47% of its vendor spend goes to non-profit entities; nonprofit entities cannot qualify as MWBEs under the definition CenterPoint Energy uses. If non-profit entities are excluded from the calculation, 26% of the Company’s remaining vendor spend went to MWBEs.

IF.1 IMPROVE ACCESS TO ENERGY EFFICIENCY BY PROVIDING INCLUSIVE FINANCING

IF.1 proposes an Inclusive Financing pilot.

In 2019, the Partners continued to explore inclusive financing feasibility in Minnesota and develop the parameters of a pilot program for Minneapolis residential customers. The Partners, along with several other stakeholders, participated on the advisory working group for the Tariffed On-Bill Financing Feasibility Assessment prepared by the Cadmus Group for the University of Minnesota Energy Transition Lab. In Q4 2019, the Partners supported the City's intervention in CenterPoint Energy's rate case to propose an inclusive financing pilot program. In June, the City filed a proposal for an Inclusive Financing program in CenterPoint Energy's rate case.

CenterPoint Energy and interveners in the rate case, including the CenterPoint Energy and the Department of Commerce submitted rebuttal testimony to the City's proposal in mid-August. Next steps in the rate case include Settlement Conferences and Evidentiary Hearings (September), Briefings and Findings of Fact (October), and Administrative Law Judge's Report (November).