

Interim 2019-2021 Work Plan Progress Report – Q1 2021
Clean Energy Partnership Q4 Board Meeting
February 9th, 2021

Progress to Date (January 2021)

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.

CenterPoint Energy and the City of Minneapolis will meet in Q1 to discuss the findings of CenterPoint Energy’s Minneapolis-specific Community Profile Dashboard analysis and potential next steps to implement targeted outreach strategies to increase CIP participation with a specific focus on Green Zones.

The Prospect Park Association’s Environmental Committee used CenterPoint’s Community Profile Dashboard to develop a neighborhood specific climate goal to reduce natural gas use 25% by 2025. In January, the new goal was presented to the Prospect Park Association along with utility conservation improvement program (CIP) resources to encourage residents to take action.

To address the upfront cost barrier of home insulation projects, CenterPoint Energy is recruiting Rebate Eligible Installers to offer an Air Sealing and Insulation Instant Rebate option starting in Q1 2021.

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.

While reducing energy use for high energy savings potential customers remains a high priority for the Clean Energy Partnership, Covid-19 has greatly disrupted the large commercial building sector, within which the highest energy saving potential is found. At the same time, property damage during the early summer greatly impacted many smaller commercial buildings in the City, which created a pressing need for rebuilding and doing so in an energy efficient manner. The efforts by the Partners since the spring and summer of 2020 have largely focused on these acutely impacted small businesses and commercial buildings.

Xcel Energy’s Recovery Rebate program was rolled out in early June, offering up to double energy efficiency rebates for businesses impacted by the events of civil unrest this summer. We have a little over 70 projects enrolled across Minneapolis & St Paul. Approximately 70% of the

projects are in Minneapolis with one-third enrolled in our major renovation Energy Efficient Building program and the rest in the Turn Key program, addressing specific technologies. We continue to work with community organizations to help get the word out – like CERTS, Lake Street Council, Midway Chamber and will begin reaching out to community organizations. Xcel Energy and CenterPoint Energy recently presented the offerings at the annual CERTS meeting and Twin Cities Community Rebuilding Coalition (<https://www.tccrc.org/>)

CenterPoint Energy’s REBUILD program kicked off in August, making available no-cost energy consultations and increased energy efficiency incentives to customers impacted by the summer’s civil unrest. To date, 30 customers have enrolled in the program including, restaurants, small business retailers, community serving organizations, and others.

Responding to the multiple crises of 2020, the City launched Minneapolis Forward, which is a citywide path to recovery and transformation stemming from the leadership of the Minneapolis Forward Community Now Coalition members, local business leaders and owners, private partners, and advocates. The aim of this initiative is to support Black, Indigenous, and People of Color (BIPOC), including immigrant-owned businesses and those damaged during civil unrest. The City will target Green Cost Share incentives in support of the Minneapolis Forward Rebuild Resilient effort to build City businesses back more efficient, resilient and stronger than they were before. [2021 energy efficiency applications](#) are now available. Xcel Energy has contributed funding to support this initiative.

To help streamline the process for large commercial customers interested in electric and natural gas savings opportunities, the Utilities began to coordinate outreach, intake, and delivery of their respective energy audit programs in 2021. The Partners are discussing opportunities to increase participation in the joint-audit services by leveraging City resources.

Xcel Energy and CenterPoint Energy have completed their reviews of the City’s bottom 25% Energy Score benchmarked buildings for previous participation and identified future energy efficiency program opportunities. The utilities and City will meet to discuss next steps for outreach, and will collaborate with the City.

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.

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.

The City has begun coordination with code officials in Minneapolis and Columbia Heights (the location for Minneapolis's facility pilot site) to troubleshoot any pilot project permitting questions or concerns. Meanwhile, CenterPoint Energy met with the Minnesota Department of Health, the Minnesota Department of Labor and Industry and the Cities of Elk River and Edina regarding permitting process and next steps for pilots in those cities.

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.

CenterPoint Energy and Accelerated Innovations are on track to complete their benchmarking tool modifications for Time of Rent compliance in Q1 2021. The City will work with stakeholders

to develop and implement an outreach and engagement strategy to prepare rental property owners for the September 2021 compliance deadline.

Xcel Energy is working through contracting for the software addition that will allow customers to comply with the Time of Rent ordinance. Xcel Energy has met with CenterPoint Energy on different occasions to discuss the logistics of the tool. Xcel Energy expects to complete this work Q1 2021. Total costs are yet undetermined.

The Minnesota Public Utilities Commission (PUC) issued an order on Nov 20, 2020 for DOCKET NO. E,G-999/M-19-505. This order established a data aggregation standard, which states that utilities must provide aggregated customer energy use data sets to third parties, such as the City and property owners. These data sets may include data from no fewer than 4 customers and that a single customer's energy use must not constitute more than 50 percent of total energy consumption for the requested data set (the "4/50 rule"). CenterPoint Energy and Xcel Energy each submitted compliance filings with this rule on Dec 21, 2020.

For properties with less than 4 units that cannot be adequately aggregated, the PUC requires customer consent before releasing energy use data to third parties. The City's Time of Rent ordinance would require all residential rental property owners to disclose building average energy use information to prospective renters at the time of rent. The Partners are working to find ways to reduce the potential administrative burden of collecting thousands of customer consent forms to implement the Time of Rent ordinance. The City and CenterPoint Energy requested the PUC consider data release to rental property owners in light the City's recent Time of Rent Ordinance. While the PUC did not address the issue in its Nov. 20 order, the PUC indicated they would leave the proceeding open and continue considering issues raised. The Utilities have an opportunity to raise additional use cases in their March 1 compliance filing to the PUC. The Partners will continue to look for ways to collaboratively reduce barriers to ease time-of-rent compliance for rental property owners of 1-3 unit buildings.

RE.1 INSTALL ELECTRIC VEHICLE INFRASTRUCTURE FOR CITY FLEET

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

The Minneapolis City Council [approved](#) the Customer Use Agreement for Xcel's pilot project. Site visits by Xcel Energy are in process to inform design and construction. City facility locations likely included in this pilot are the Aldrich facility, Fridley Water Plant, and Federal Court House Ramp. The Partners are now working on design.

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 by 2023 and communitywide by 2030. Xcel Energy responded to the RFI.

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

To meet City's estimated municipal operation's annual renewable electricity need of 90 - 100 million kWh in 2023, the City has released two separate RFP's:

1. The first RFP, **RFP 2020-53**, requests 80 – 90 million kWh generated each year from renewable resources located outside of the City limits.
2. The second RFP, **RFP 2020-54**, requests 8 – 10 million kWh generated each year from renewable resources located within the City limits on City owned property or any other locations.

The full RFPs can be found on the City's [procurement webpage](#) (see "RFP-Electricity f/Renewable Generation Source out" and "RFP-Electricity f/Renewable Generation within City")

The City is not interested in renewable energy credits (RECs) from existing projects. The City is interested in generation concepts that are "additive" to the existing Xcel Energy transmission/distribution grid. The City's definition of "additive" is a project/resource that would not have moved forward to completion without the participation of the City in procuring either the electricity or the RECs from the project/resource. This includes both projects that are 'shovel ready' and new project ideas that would bring about renewable electricity resources that otherwise would not have been built based on current requirements and commitments. Please refer to the Invitation section of the RFPs for further details on the project attributes that the City seeks with these requests.

Responses for these two RFPs are due in March 2021.

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

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

Xcel Energy submitted the adjusted Renewable Development Fund (RDF) grant contract to the Public Utilities Commission (PUC) that would alter the timeline per the request of the grantee and establish the final grant amount. It is currently awaiting PUC review and hearing. A Commission decision is anticipated around June 2021. 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.

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 has also proposed a \$4 million workforce development program aimed at helping Black Indigenous People of Color (BIPOC) find training and energy related careers. We have met with local organizations – and have met with the City - that offer such programs to determine what should be included in our RFP and program structure. We are now working on program design.

Additionally, in December of 2020, Xcel Energy filed a CIP modification to work with the Center for Energy and the Environment (CEE) on a \$5.7M proposed energy efficiency workforce training program that will be focused on engaging participant in areas of concentrated poverty and finding placement in companies or establishing their own. The City has provided Xcel Energy with a list of recommendations for this program and has offered to assist in preparing the RFP and reviewing responses. The proposal also includes a scholarship fund to assist income qualified students perusing careers in energy efficiency. If the CIP Scholarship Fund is approved by the Department, the Company intends to create a council comprised of workforce development experts, community leaders and companies from the region that would eventually hire the CIP-WDE participants. One of the functions of the board would be to define the application requirements, review applications, and select scholarship recipients. When developing this process, the Company will include credentials, licenses, and professional certifications like the Building Operator Certification (BOC) in the scope of eligible scholarship uses.

In November 2020, CenterPoint Energy launched a new employment opportunity to provide a more accessible career entry pathway into the skilled trades and utility industry. CenterPoint Energy recruited 10 Appliance Generalist candidates to take part in a six-month paid training course to learn the fundamentals of gas and electricity and how to repair refrigerators, ranges, dishwashers, washers and dryers. Training consists of classroom, lab and field training. At the end of the six-month training, candidates take a hands-on appliance assessment test to become a full-time appliance technician with Home Service Plus. The position does not require prior experience or technical school certification/enrollment. CenterPoint Energy intends for this to be an on-going position opportunity.

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

IF.1 proposes an Inclusive Financing pilot.

On November 20, 2020 Administrative Law Judge Lippman issued a report regarding Tariff-On-Bill (TOB) Financing (or inclusive financing) including whether the MPUC has the authority to approve an inclusive financing program and whether the PUC should approve the stipulation agreement that defines the TOB program. The stipulation agreement did not include all the program provisions the City desired, but it did outline the program components and had the support of CenterPoint Energy. In his report, Judge Lippman affirmed the PUC does have the legal authority and should approve a pilot program based on the stipulation agreement.

On January 12, the Public Utilities Commission heard oral arguments on the City of Minneapolis and CenterPoint Energy's proposed TOB Financing pilot. Both CenterPoint Energy and the City of Minneapolis spoke in support of the TOB pilot as proposed in their jointly-submitted Stipulation, September 2020. The Clean Energy Organizations (on behalf of Sierra Club, Fresh Energy, and Minnesota Center for Environmental Policy) and Community Power spoke in support of the original TOB proposal filed by Minneapolis in July 2020. Energy Cents Coalition, Legal Services Advocacy Project, the Office of the Attorney General, and the Department of Commerce spoke in opposition of a TOB pilot. The Suburban Rate Authority raised concerns about TOB but was interested in continuing development of a TOB pilot with stakeholders.

On January 14, the Public Utilities Commission held deliberations in consideration of the CenterPoint Energy-City of Minneapolis TOB pilot. The PUC decided to 1.) direct the City of Minneapolis and CenterPoint Energy to submit a filing in a new docket within 90 days of the Commission order that presents potential viable pilot options that help achieve City objectives and are developed in consultation with interested parties and 2.) direct CenterPoint Energy with input from interested parties to develop a new or expanded low-income CIP proposal that focuses on renters.

CenterPoint Energy and the City of Minneapolis remain committed to developing a TOB pilot program and collaborating on a modified proposal to be submitted to the PUC later in the year. CenterPoint and the City will also invite Xcel Energy to participate in the stakeholder meetings to determine if electric savings can be included in the pilot program.