

MEMORANDUM

To: Amber Lee, Brad Tutunjian, Bria Shea, John Marshall

Cc: Clean Energy Partnership Planning Team and Energy Vision Advisory Committee (EVAC)

From: Mayor Jacob Frey, Council Member Cam Gordon, Council Member Jeremy Schroeder,
Council Member Steve Fletcher

Date: February 11, 2021

Subject: City of Minneapolis principles and objectives for an energy efficiency pilot program

Minneapolis appreciates CenterPoint and Xcel's on-going interest in and support for advancing a tariffed on bill pilot program proposal to the MN Public Utilities Commission (PUC), including commitments made in the [2019-2021 Clean Energy Partnership Work Plan](#). We also appreciate the broad consensus we heard at the PUC hearings on January 12 and 14, 2021 regarding the need to more equitably serve a broader set of customers with clean energy programs that reach renters, low- and moderate-income households, and communities of color.

Minneapolis looks forward to continuing to work collaboratively with CenterPoint and to re-engaging Xcel to fulfill the goals outlined in our mutually adopted Clean Energy Partnership Work Plan and to meet the requirements of the pending Order from the MPUC.¹ In fulfillment of the CenterPoint/City of Minneapolis Decision Option 1a from the Jan. 14, 2021 hearing,² this Memo includes a summary of City of Minneapolis' objectives for a new pilot program proposal.

Based on the interest in electricity measures and electricity savings expressed by Commissioners during the January hearings, Minneapolis requests the active engagement of both our utility partners, CenterPoint and Xcel, as we develop a new filing due within 90 days of the Commission Order.

¹ Docket 19-524, Order Pending.

² Require CenterPoint and City of Minneapolis to submit a filing in a new docket within 90 days of the Commission order to allow for development of the CenterPoint Energy and City's proposal in greater detail and to provide a forum for review by interested parties and stakeholders... The filing shall: a. Outline the objectives of the City's proposed pilot...

The City of Minneapolis holds these principles and objectives for a residential clean energy pilot program filed with the Public Utilities Commission in fulfillment of the pending PUC Order:

- Independent certification that the recommended energy upgrades are appropriate, and savings estimates exceed payments in both the near- and long-term for an individual program participant:
 - The monthly charge must be lower than the measure's estimated savings and it remains on the bill for that location until all costs are recovered
 - Analysis must be completed by an independent third party (the program operator) who does not have a financial interest in a customer's participation
- No up-front payment and no debt obligation to participate.
- Analysis performed on site, customized for each particular home
- Allows both gas and electricity measures to comprehensively count toward savings
- Allows comprehensive upgrades (both gas- and electricity-savings) to be completed
- A review of the customer's realized savings at the end of the first year, at minimum
- A third party advocate for a participating customer if estimated savings don't materialize.
- Allows for payment over time, but unlike a loan, the payment obligation ends when occupancy ends or if the measure fails
- Terms are cost-based, non-discriminatory, just, reasonable, and fair for participants and non-participants
- Program operator must offer information to interested customers about programs for income eligible customers
- Participants must be allowed to access existing CIP programs or other incentives available to them
- Program must serve the needs of more Minneapolis residents, including interested renters and low-income customers, who have opportunities for cost effective upgrades
- Program participation does not require personal debt/credit worthiness
- Cost of financing is such that it does not burden participants or non-participating customers
- Contractors and workers are compensated fairly for their work
- Participation reduces energy burden and reduces risk of disconnection
- To the extent possible, the program coordinates with reputable local training efforts, such as the CIP Workforce development
- Program outreach should prioritize BIPOC, Green Zone, and low-income households
- Program includes adequate consumer protections
- Program can be expanded to other geographies
- Program should be of a scale and size so as to have a meaningful impact on energy burden, customer savings, and achievement of City Climate Action Goals