

**Minneapolis Clean Energy Partnership
BOARD MEETING**

Microsoft Teams
Tuesday, February 9, 2021
2:00 –4:00 p.m.

2021 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), Brad Tutunjian, and Todd Berreman (alternate) from CenterPoint Energy; Bria Shea and John Marshall from Xcel Energy.

Board members excused:

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

Guests/Staff present: Rebecca Olson, Audrey Partridge, Trevor Drake, Dr. Sydnie Lieb, Dr. Margaret Cherne-Hendrick, Nick Martin, Nick Mark, Ross Corson, Stacy Miller, Patty O’Keefe, Jim Pearson, Guest Phone numbers (215-510-1392, 248-229-1413, 303-437-0254, 414-793-9260, 507-420-7963, 607-287-6823, 612-202-3121, 612-205-8169, 612-207-1752, 612-250-1621, 612-282-2573, 612-314-3606, 612-321-4412, 612-406-1252, 612-423-5956, 612-599-5724, 612-712-2055, 612-741-0596, 612-772-7308, 612-805-7018, 612-812-3976, 612-849-0725, 612-968-2047, 651-235-1208, 651-276-7348, 651-278-6165, 651-325-8814, 651-399-3091, 651-468-8891, 651-497-6773, 715-470-4748, 763-656-3939, 952-297-4254, 970-270-7280)

1. Welcome and Introductions

Mayor Jacob Frey called the meeting to order at 2:12 p.m

Bjorn Olson welcomed participants and read the City Clerk protocol for member access and connectivity, introduction to online meetings, and called roll.

It’s been more than five months since we last met in Quarter 3. I opened that meeting by acknowledging how the world had changed from March to August and applauded this group for its efforts and focus on our sustainability goals amidst the chaos. I believe we could safely say the same thing as we begin this meeting but perhaps with a notable exception.

While we are still in the winter of this pandemic, there is a sense that spring is approaching. Despite turbulence, a new federal administration aligns with Minneapolis and our Renewed hope for public health. Our commitment to science and efforts to mitigate climate change at state, national, and international levels. And a promise to our communities of black, indigenous, and people of color that their voices will be heard, that their lives matter, and that equity and environmental justice are at the core of the work we strive to accomplish. Thank you all again for your partnership and commitment.

2. Review and Approve Agenda and Minutes

Mayor Frey asked for a motion to approve the agenda, as well as the minutes from the 2020 Q3 CEP Board Meeting. It was MOVED and SECONDED that the minutes from August 2020 approved. Motion CARRIED. It was MOVED and SECONDED that the agenda for February 9, 2021, be approved. Motion CARRIED.

3. EVAC Co-Chair Update

Rebecca Olson reported on Energy Vision Advisory Committee (EVAC) activity.

EVAC last met on November 17th, 2020: At that meeting there was strong interest in writing a set of recommendations to the Partners as a guidance document for any recovery/relief efforts being planned. EVAC had heard presentations by the Partners earlier in 2020 about plans, programs and filings focused on COVID relief as well as efforts to rebuild after the social unrest surrounding the killing of George Floyd.

Over the last few months, EVAC has created the document titled [EVAC Energy Relief & Recovery Recommendations](#) and submitted to Board members with the intention of it being used to inform future planning, funding, and resource deployment decisions of the Clean Energy Partnership. Each of EVAC's four asks include high level goals, purpose of the ask, desired outcomes, and sample metrics to assess progress

In short, EVAC's 4 key recommendations are the following:

1. Use an equitable and just process: Ensure all relief and recovery efforts are guided by accountable input from communities most impacted, particularly BIPOC communities and low-income communities.
2. Provide economic relief for high energy burdens: Ensure that vulnerable communities, particularly BIPOC and low-income communities, are held harmless for the unsustainable energy burdens that have accrued as a result of COVID-19 and recent uprisings. Ensure that at least 60% of such relief within Minneapolis accrues to BIPOC residents and BIPOC-owned businesses.
3. Enable clean, resilient, and just rebuilding: Ensure that at least [60 %] of recovery and rebuilding investments benefit BIPOC residents and BIPOC-owned businesses and that recovery and rebuilding is done in a way that creates resilience to future challenges, reduces local air pollution and health risks, and fights climate change.
4. Create a racially just clean energy workforce: Ensure that at least [60%] of clean energy job creation in Minneapolis creates meaningful and long-term career opportunities for BIPOC residents.

EVAC hopes that this set of recommendations is helpful and serves as a useful check on program planning and deployment to ensure that the goals of the community are embedded into relief and recovery efforts in the City of Minneapolis and beyond.

Mayor: Appreciate the specific investment number; How did you arrive at the number?

Becky noted that the 60% figure referenced in these recommendations comes from a baseline of Census data showing Minneapolis BIPOC residents make up around 40% of the total population. EVAC recommends increasing the proportion of benefits that go to BIPOC residents to 60% in order to address the historic lack of investment as well as the higher proportion of economic and health burdens BIPOC residents have faced due the pandemic, climate change and damage from social unrest.

John Marshall: Thank you EVAC for your time and effort in assembling this document. Great to have a guide path with specificity. I appreciate the community based direction.

4. Work Plan Updates

a. IF.1: Inclusive Financing

Kim Havey and Amber Lee provided an update on the Inclusive Financing Pilot which is covered in the [Work Plan Update](#). Kim highlighted the City's memo which states the City's interest in continuing to work collaboratively with CenterPoint and re-engaging Xcel to fulfill the goals outlined in the mutually adopted Clean Energy Partnership Work Plan and to meet the requirements of the pending Order from the MPUC. Kim thanked the supportive parties: CenterPoint, Clean Energy Organizations (MCEA, Fresh energy, Sierra Club); CUB; and Community Power and the approximately 70 video commenters who supported the TOB Proposal.

CM Schroeder: I wanted to highlight the amazing work from City staff that worked hard to meet a very short timeline and also thank you, CenterPoint Energy. The CEP was fantastic in the PUC hearing. This a Partnership we're all still working on but even if we had differences going into the meeting the hearing felt great, the Partners hit the key points and delivered a strong message about how we need new projects for environmental justice. Current programs just won't get us there.

Amber Lee: In addition to Havey's update, we are also going to be working on new programing on the CIP side too. The PUC deliberation was helpful, and we look forward to continuing the work with you.

b. EE.5: Time of Rent Disclosure & Impact of PUC Data Privacy Docket

Luke Hollenkamp provided an update on EE.5 and recognized many call-in participants from impacted communities that are interested in knowing how the CEP would take action on climate change and environmental justice.

Luke referenced the [Work Plan Updates](#) document that demonstrates significant progress on the Time of Rent Ordinance. He thanked the utilities for the work to create tools that will allow for compliance.

CM Gordon: Appreciate the work done to date. Concerned about 1-3 units, was hoping that property owners could be seen as a special use case in March filing. We have thousands of rental properties that are 1-3 units for poorer residents, and we don't want to leave them out. The City has outlined a good solution in the motion we

considered calling for a vote on - we could make the case that property owners should be a special case and access to energy data over 24 months to protect privacy but give enough information that can be shared with incoming renters. This could help address real inequities in Minneapolis. Think we should move forward on this proposed solution. Open to look at other options, have discussions, and hear if others have concerns.

CM Schroeder: Want to make sure we have the full commitment of both Utilities to follow through on commitment we've done on Time of Lease energy disclosure. I want to highlight that the 1-3 units are the ones that have the most need for energy efficiency and would benefit from having this type of disclosure. We need to ensure that folks have equity and knowledge when they are renting an apartment. City Council passed the ordinance in 2019 with huge support and understanding that having this information was pivotal. This is a climate and equity issue - this is going to help all the City and I'm calling on the Utilities to clarify their commitment. What we're asking for today is a commitment to uphold the agreement.

Bria Shea: Xcel supports this policy and toward that end we have developed a utility tool that allows for full compliance. The tool is fully automated, easy to use, and allows landlords of any size to go online, enter the tenant contact information and we take it from there. We send a consent form to the customer and once completed property owners have full access to the information. We do have easy to use, automated tools to comply. We don't see this landlord exception as necessary because it removes the consent process for customer energy use data would be inconsistent with PUC direction and national studies and guidance on appropriate aggregation levels. And importantly, it violates customers reasonable expectation of privacy. We are supportive of this policy and Xcel's tool is the best way to manage expectations for customers to comply with the policy.

CM Schroeder: Xcel's policy does not meet expectations. We're talking about being fair to all end users and it seems backwards that we're going to have to fight property owners to get this data to people living in the place. That is their home, their lively hood. We appreciate the work that the utilities have done for buildings 4+ units but we're bringing this forward today because it is missing a critical part. We want all homes to have access to energy information and access to information on how they can increase their energy efficiency.

CM Fletcher: I expressed concerns over data privacy in the past and I want to clarify what this means and doesn't mean because I don't like Xcel's solution because I don't want customers to consent to giving too much data. I like the solution that we've come to: to aggregate across time if you can't aggregate across multiple units. So property owners cannot get access to month to month data that shows minute changes that might be revealing of personal practices or habits that should be free from intrusion. I don't want to be given the choice as a tenant to be giving all of my information or not participating in this program. I don't think giving consent that gives the landlord access to the full data meets the needs of what we proposed, which

aggregates the data in the way that inhibits a person giving too many insights while simultaneously revealing data to get to people so they think about energy efficiency. I ask Xcel Energy to reconsider this because it's so important and I think we have a solution that allows everyone to participate in a way that is not intrusive. We solved data privacy issues to my satisfaction.

CM Gordon: I'd be okay signing a consent form as somebody who owns a duplex and does renting, I'd probably be okay asking my tenant for consent. But when we were moving forward with this ordinance we heard from rental licensed holders that wanted something that wasn't onerous and wasn't going to require getting consent forms signed. I am open to solutions where consent is acquired a time of rent. Sounds like we have the technology and software but we're still not willing to do it. The PUC could probably help say if it would work. I'm hoping we can vet other creative ideas like this one or other alternatives. I would like to see this brought to the PUC in March and maybe both ideas can be brought to them.

Amber Lee: I have a clarifying question: At one point we had talked about the possibility to protect against landlord retaliation – If I understand CM Fletcher's description, we might not need to do that because of the aggregation over 24 months? [Affirmative Signal from the City] In terms of going forward at the PUC, CenterPoint Energy is going to include this issue in our March filing – we don't have it completely buttoned up in terms of how the commission would move forward – but we will be noting this issue.

Bridget Dockter: Clarification on ease of process - Xcel's tool is still in development but the landlord provides the emails of the tenants to Xcel and Xcel would send forms directly to tenant for signature. The landlord doesn't have to go around to each tenant seeking authorization.

Luke Hollenkamp: What would happen in the instance where a landlord doesn't have a renter email? Low-income tenants may not have internet access or email addresses; would Xcel reach out to them via other forms of communication?

Bria Shea: The renter can be phoned, emailed, or mailed consent form.

CM Schroeder: Or you can agree to what we are talking about today b/c the Xcel's proposed consent process is laborious and will require investment in staff and infrastructure. The City proposes simple solution for getting information to people about how they can improve their home and make it more energy efficient. That's the whole goal of this ordinance. I ask Xcel Energy to reconsider their position in order to help us get to the goals they committed to as part of the CEP.

CM Gordon: In favor of providing PUC both options. Please don't oppose this direction moving forward in your March 1 filing, give us some time to discuss this later into March.

Luke Hollenkamp: March 1 filing asks of the utilities a specific question: Does the utility feel there should be additional use cases that should be considered by the PUC or are there no additional use cases?

Kim Havey: We want to ensure that the information is easy to access. Considering renters move a lot 1-2 years, we want to ensure ease of compliance. City isn't asking for a decision on how to address the issue of renter property owner data access for compliance just want the utilities to identify this as an issue yet to be resolved in March 1 filing.

Bria Shea: Appreciate the conversation and where you're coming from. Xcel is coming at this from national standards and guidance on aggregation. Hear what you are saying and take the City's comments into consideration to make our position a little bit better for the CEP.

CM Gordon: We want this ordinance to be as easy to comply with for tenants in 1-3 units as it is for those in 4+, who don't need to sign consent forms because we figured out a way to do those in larger, more expensive buildings.

5. Decarbonizing Minnesota's Natural Gas End Uses Stakeholder Process

Audrey Partridge with Center for Energy and Environment gives [a presentation](#) on Decarbonizing Minnesota's Natural Gas End Use Stakeholders Process. Audrey was joined by Trevor Drake with Great Plains Institute a co-convenor on the project and the project's planning team which includes: Luke Hollenkamp (City of Minneapolis), Nick Mark (CenterPoint Energy), Nick Martin and Dr. Sydney Lieb (Xcel Energy), and Dr. Margaret Cherne-Hendrick (Fresh Energy and EVAC)

Mayor: Question on Slide 18: What do the numbers look like per capita? Comparing large and small multi-family?

Audrey: It is generally more efficient to live in Multi-family housing, there is less heat loss per unit. But there are outliers on both sides of more efficient and less efficient multifamily building properties.

Luke: This highlights the importance of the City's energy disclosure policy and our focus on higher bills for heating in the winter particularly for single family or smaller multifamily homes.

Nick Mark: Generally true that MF is more efficient than single family when you think about energy use per sq.ft. The picture is complicated by different types of energy (gas vs. electricity), as well as metering arrangements that show up in MF building. It used to be more common to have a single gas meter feed a central heating system – in last ten years the construction trend has changed to individually metered units with gas connections in each apartment. That doesn't change the story of a multifamily building being more efficient, but it does change the dynamic in terms of access to the data and whose data it is to access.

John Marshall: Note on Slide 8, reflect on great work of electric emissions reduction by not just Xcel but all partners on this call; big opportunity in ag and transportation; working on emerging technologies like thermal energy in St. Paul. Cost is a very real consideration. And we will be look at learnings to come from and policy and partnership developments from innovative pilots in east metro.

Amber Lee: Question: Report will be finished in April 2021? What happens after that and can you describe what happened when E21 stakeholder work finished?

Audrey Partridge: We won't know next steps until we get the final recommendations. The planning team is talking about what next steps could be for additional process to follow up – just the beginning of better understanding the problem and kicking off discussion.

Trevor Drake: Typically for a group like this we establish recommendation, individual members carry forward advocacy. CEE and GPI are gathering funding for continued work to investigate issues that we didn't have time to address in this process.

CM Gordon: I am intrigued by potential solutions, such as energy efficiency and geothermal district energy systems. Have we looked at what percentage of heat could be replaced with those two items? I'm also interested in geothermal heat pumps, aquifers, and a district energy system under study in my ward.

Audrey Partridge: The Minnesota Potential Study tells us how much potential there is for energy efficiency and what it would take to capture different levels of energy efficiency potential - this effort's modeling relied on that study. Pros of more expensive energy resources makes EE even more cost-effective. Expect greater and greater opportunities for energy efficiency overtime.

Dr. Cherne-Hendrick: Geothermal Districts offer the potential for scalability. There is still uncertainty about how much of the existing gas system could be replaced. The group is very interested in this topic in part because of the demand management potential. With electrification and use of ASHP there are concerns of increased demand on electric system – Geothermal provides some mitigation b/c different types of buildings with different energy use can help mitigate demand, which is especially useful in cold climates like ours. There is opportunity for demand management and a just transition for the NG workforce to Geothermal infrastructure. Eversource in Mass and NYSERDA are testing projects in urban applications that we're looking at. Technology and scalability have changed and the group wanted to take a look at the opportunities in this analysis

CM Gordon: Like the idea of taking waste heat from hospitals and using it. Are you aware of NG companies that have created new businesses around geothermal? Or could ours be the first?

Dr. Cherne-Hendrick: Always an opportunity to be the first. Depends on the system and it would be hard to do a one-to-one transfer as there will be some amount of retrofit or replacement required.

Nick Mark: To my knowledge, Eversource is a gas utility and is the only utility looking at replacing heating systems in existing buildings. Generally, the reason that can work with old, existing buildings is because the utility has a great deal of old infrastructure that they may need to dig up and replace anyway. Not aware of any completed projects. At minimum looking at it closely. National Grid in New York is currently operating a small pilot geothermal loop project for a dozen customers. Not done as replacement but wasn't going to be cost-effective to extend gas grid.

Dr. Cherne-Hendrick: One significant first would be to test this at a utility-scale in a cold climate to navigate the demand aspects.

Amber Lee: CenterPoint is pursuing the Natural Gas Innovation Act legislation this session which we discussed last session. It sets the pathway at PUC to begin piloting these kinds of decarbonization solutions – We are interested in testing EE, geothermal, electrification, renewable natural gas, and hydrogen. We need to begin so we can understand what progress can be made at what cost and adjust accordingly. We have hearing at the Senate Energy Committee on Thursday. Hopeful that we can get this through the House and Senate this year so we can begin. In the current draft of the legislation we propose an electrification ASHP w/ natural gas backup pilot. We are already developing a Hydrogen pilot that will go live in 2021 and we have two more proposed at the PUC. We look forward to continued discussion around geothermal systems.

6. Other Partner Updates

- a. Relief & Recovery Efforts in Minneapolis (Xcel Energy)
John Marshall and Bria Shea gave a summary of relief and recovery efforts including: Rebuild post unrest, Workforce Development, NWA, Payment Plan Credit Program, Rooftop Solar, and Sherco Solar.
- b. RDA status and need for clarifying legislation
Bria Shea gave an update stating that the RDA structure was set up but no mechanism had been established on how to issue the money. We continue to collect the money we are required to by law but have no way to spend it. When the RDA was still the RDF and under the PUC's purview, there was an established process. When it was moved to the direction of the legislature, no process had yet been established – much talk had happened over the course of the couple of years since it became the RDA, but nothing had passed.
- c. Legislative Session
Xcel Energy's Jim Pearson gave an update Xcel's legislative initiatives.
The City's Kim Havey gave an update on the Better Buildings Bill and the ECO act.

CM Schroeder: I want to acknowledge the work everyone's doing, but it's also not nearly enough and not quick enough. I want to thank CenterPoint and Xcel for their efforts on these bills to push the state to lead on energy policy as well.

7. Adjourn

The meeting was adjourned at 4:00 p.m.