

**Minneapolis Clean Energy Partnership
BOARD MEETING**

Microsoft Teams

Wednesday, September 22, 2021

9:30 – 11:30 a.m.

2021 Q3 Meeting Notes

Board members present: Mayor Jacob Frey (Chair), Council Member Cam Gordon, Council Member Jeremy Schroeder, Council Member Steve Fletcher; Amber Lee (Vice Chair), Christe Singleton, and Todd Berreman (alternate) from CenterPoint Energy; Bria Shea and John Marshall from Xcel Energy.

Board members excused: n/a

Planning Team present: Luke Hollenkamp, Bridget Dockter, Emma Schoppe, Sara Barrow, Peter Ebnet, Robin Garwood, Kim Havey, Patrick Hanlon, Nick Martin, Al Swintek, Bjorn Olson, Dan King

Guests/Staff present: Rebecca Olson, Patty O’Keefe, Erica Larson, Trevor Drake, Audrey Partridge, Ross Corson, Stacy Miller, Marcus Mills, Lee Samuelson.

1. Welcome and Introductions

Mayor Jacob Frey (Chair) called the meeting to order.

Vice Chair Lee welcomed Christe Singleton, CenterPoint Energy’s Vice President of Gas Operations, Minnesota and new Clean Energy Partnership (CEP) Board Member. Board Member, John Marshall provided a staffing update for Xcel Energy: Bridget Dockter and Sara Barrow to take on new roles; Dan King will represent Xcel Energy on the CEP Planning Team going forward. Mayor Frey extended his deep appreciation and thanks for Bridget and Sara’s many years of service to the CEP. Kim Havey recognized that CM Fletcher was filling the City Coordinator board member seat previously held by Mark Ruff.

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

2. Review and Approve Agenda and Minutes

Mayor Frey (Chair) asked for a motion to approve the agenda, as well as the minutes from the 2021 Q2 CEP Board Meeting. It was **MOVED** and **SECONDED** that the minutes from June 2021 be approved. Motion **CARRIED**. It was **MOVED** and **SECONDED** that the agenda for September 22, 2021, be approved. Motion **CARRIED**.

3. EVAC Co-Chair Update

Rebecca Olson reported on Energy Vision Advisory Committee (EVAC) activity. EVAC heard from the Mayor’s Office about the budget process and timeline for EVAC to provide input on City franchise fee annual spending. EVAC will set up a working group to provide input to the

City and also to the Utilities as they develop CIP Triennial plans. EVAC formed a Community Voices working group to explore ways to improve CEP community engagement and work with other similarly focused working groups. EVAC member terms end this year and there will be a reapplication process at the end of the year. The EVAC application was revised to expand the diversity and inclusion question.

4. 2020 Annual Report

The CEP Planning Team presented [highlights](#) from the [2020 Annual Report](#).

5. Decarbonizing MN Natural Gas End Uses (Part II)

Audrey Partridge (Center for Energy and Environment), Trevor Drake (Great Plains Institute), Erica Larson (CenterPoint Energy), Nick Martin (Xcel Energy), and Luke Hollenkamp (City of Minneapolis) provided a [presentation](#) on the Decarbonizing Minnesota Natural Gas End Uses Stakeholder Group, Part II.

CM Schroeder: Why were the three scenarios specifically picked when we can pursue high electrification now while renewable natural gas and decarbonizing technology is still emerging and can't replace our fossil gas need even in optimistic projections?

Ms. Partridge: The process followed a Transformative Scenario Planning Model in which it's important to have scenarios that are different from one another to help the stakeholder group think through the issues around a future decarbonized Minnesota. While there is uncertainty around the future availability of different types of gaseous fuels, there is also uncertainty around electric technologies in 2050, though there is a lot of opportunity available today. The Stakeholder Group discussed at length the uncertainty around each scenario which is captured in the report.

Mr. Drake: All three scenarios have unique benefits and challenges. On the high electrification scenario, the challenge is shifting the natural gas use winter peak to electric uses, which would essentially double the electric peak winter load in Minnesota, requiring significant build out of the electric system to serve the increased load. There is an emerging technology challenge on the gas side; and a system build-out and cost challenge on the electric side.

CM Gordon: When we talk about electrification with gas back-up does that include renewable gas or traditional fossil gas?

Ms. Partridge: All scenarios solve for net neutral or zero carbon emissions by 2050. When we talk about 'gas backup' or 'gaseous fuel', we are talking about 'decarbonized gaseous fuels.' Pipeline assumptions include 7% hydrogen blend and a mix of different carbon neutral feedstocks for RNG.

CM Gordon: Does 'carbon neutral' count as 'decarbonized'?

Ms. Partridge: Yes, the report's definition for 'decarbonized' includes 'net neutral' or 'zero carbon' emitting strategies by 2050.

CM Gordon: 'Carbon neutral' technologies would be releasing carbon into the air, correct?

Ms. Partridge: For example, 'Carbon neutral' RNG is produced by using a carbon source that would otherwise be released into the air to as methane, which when burned creates carbon.

CM Gordon: I am concerned about using 'decarbonized' – it's a little misleading. Where are we getting the methane?

Ms. Partridge: The RNG model includes a mix of feedstocks: food/animal waste, agricultural waste, landfill methane, etc. The model assumes we could produce a significant amount of RNG using carbon-neutral processes. Not everyone feels comfortable with that assumption, but that is what the group decided to show in the modeling.

CM Gordon: This could have an unintended consequence where we end up having motivation to create more methane instead of changing behaviors to reduce carbon from these waste streams. As a non-expert, with an outside perspective, this looks a little fishy.

Mr. Drake: The goal of the modeling was to look at what technologies exist for getting to emissions reductions goals on the natural gas side; certainly there exist many factors and considerations in each scenario and for this reason the group did not make a recommendation regarding which scenario to pursue. Stakeholders raised a lot of the concerns you raise and that is one of the reasons we couldn't get to a consensus on a recommended pathway. However, we did get 25 consensus recommendations that need to occur regardless of the pathway to decarbonization.

CM Schroeder: It seems that the modeling is based on the current regulated monopolies we have now – If costs are going up, does modeling factor in consumers actions to decarbonize themselves – through rooftop/community solar as those costs decrease? If we're going to 2050, won't consumers look to other choices besides the utilities and does that factor into the modeling?

Ms. Partridge: Consumer behavior was out of scope and not included in this modeling – it did assume some mix of distributed energy. It's a really good point –we should expect consumers to take action as energy costs increases and something to watch is gas markets and the recent increases in prices. There is a lot to investigate over the coming decades.

Mr. Drake: The modeling assumes that the electric sector will decarbonize by 2050 – there is a lot that needs to happen to do that. For example, what is going to be the mix of decarbonized electricity – where will it be sited, who will own it, etc.? There's a lot of work to be done.

CM Schroeder: I want to make the point that the City is working to democratize the energy system to increase equity – which can butt heads with the utilities. We support what our utilities are doing, but it's our role to push that faster and look out for our low-income residents. For

example, the difference between Xcel's future plans and our City goals is how democratized the electricity system is – the degree to which residents are given the tools to reduce their energy use and produce their own as well.

Mr. Marshall: Fully agree with going as fast as possible, mindful of costs for all, appreciate the CEP for continued collaboration. Question: Clean Energy Economy's Grid Catalyst, is that a part of this?

Ms. Partridge: Grid Catalyst is not included in META, but there may be opportunity for overlap or collaboration.

CM Fletcher: How ready are the clean versions of natural gas? My assumption is that alternative fuels are speculative and that we really want to focus on electrification on the path forward until there is more proof of concept.

Ms. Larson: Renewable Natural Gas (RNG) is currently commercially available and there's quite a bit that we could purchase, though it's not produced in Minnesota at this point. There are legitimate questions of whether we could scale RNG to the level to fully replace all the gas on the system. The modeling assumes that Minnesota would get their nationally weighted fair-share of gas based on the amount expected to be available based on the biomass produced in the United States. I don't think studies on this topic have found there is sufficient RNG available for the amount of gas we need for full fossil gas replacement - not for the high gas scenario and potentially not for the gas backup scenario. Also built into the modeling is a portion of methane produced from renewable electricity, which is theoretically unlimited – but there are of course questions about how much it will cost. There are cost questions inherent in both the electric and gas scenarios.

Ms. Partridge: Ms. Larson's description is correct. Studies show RNG from biogenic sources is quite limited and can replace anywhere from 3-20% of fossil gas throughput. Certainly that is not enough to get us where we need to be. Synthetic methane is more of a theoretical resource that is not currently commercially available and green hydrogen is a little further along than that. Certainly there are questions around the availability of these resources, but one of the key reasons they are included in our scenarios is that we also don't have electric technology alternatives to some industrial uses of natural gas at this point.

Mr. Drake: Even though there is uncertainty around each of the scenarios, each include a mixture of electrification and carbon neutral gaseous fuels. The high level recommendation of the stakeholder group is that we need to take significant action to get off the current natural gas emissions trajectory. There's a lot of work to be done regardless of choosing a specific path today to get to 2050.

6. Work Plan Development

Luke Hollenkamp provided an update on City Priorities and 2022 Work Plan Development. The City's priorities for the next work plan are:

1. 30% Local, Distributed Solar by 2030
2. Beneficial Electrification of Natural Gas End Uses
3. Deep Energy Efficiency with Community Benefits

7. Work Plant Updates

a. EE.5: Energy Disclosure/Time of Rent

Mr. Hollenkamp provided an [update](#) on the Partnership Activity.

CM. Gordon: I really appreciate progress made on 5+ units, but am also really concerned about the lack of progress for the 1-4 unit properties. I suspect that some of the least energy efficient units are in the 1-4 unit buildings. It seems that this information should be within our control to solve this, since it is just about sharing information. Probably if we went united to the PUC they would help us solve this problem. Please, let's get this figured out by the next time we meet.

Ms. Dockter: The Utilities and the City have been working on a data anonymization method that meets the PUC requirements on Customer Energy Use Data anonymization and aggregation. We believe we are close to finding a solution to file with the PUC as an additional use case, and then we wait for review and approval by the Commission. There is progress but we had to find an agreed-upon path that met the order and intent of PUC to protect Customer Energy Use Data in 1-4 unit properties.

CM Schroeder: I appreciate that we anticipate having a solution soon, we've been working on this for two years, this is critical to meeting our goals. It seems that in the CEP, things take a lot longer than they should, we need to implement actions on a timeline that meets our goals and can stop the worst effects of climate change.

b. IF.1: Inclusive Financing

Kim Havey and Amber Lee provided an update on the Inclusive Financing Pilot which is covered in the [2020 Annual Report](#). CenterPoint Energy and the City of Minneapolis filed a Tariffed on Bill (aka Inclusive Financing) pilot proposal on September 1. The PUC has opened a comment period through January 14 with reply comments due February 14. The pilot proposal is filed under Docket No. 21-377.

8. Other Partner Updates

a. Resilient Minneapolis (Nick Martin)

The Resilient Minneapolis Project (RMP) grew out of conversations with City going back to 2019 IDP, on creating a non-wires alternative pilot in Minneapolis. In 2020, Commission asked utilities to propose investments that could aid in pandemic recovery. In 2020, George Floyd's murder focused Xcel's attention, like that of so many other organizations, on the need to do more to address ongoing racial and economic disparities in Minneapolis. The RMP

grew out of these three factors. In part it still relates to the objectives of a non-wires alternative, but it has become much broader -- focusing on improving community resiliency to a range of disruptions (climate change, civil unrest, etc.) and working with BIPOC-led organizations to advance broader energy equity objectives (affordability, environmental justice, workforce diversification). To select the best sites and partners for the RMP, we ran a formal application process. Got applications from 6 organizations, all strong.

We defined scoring criteria and worked with external reviewers (Paul Williams of PPL, Jonathan Palmer of Hallie Q. Brown, Kelly Muellman and Patrick Hanlon of Minneapolis) to score the applications. Ultimately, three sites were selected: Sabathani Community Center, Renewable Energy Partners, and Minneapolis American Indian Center. All three sites have common technologies that we proposed for funding: solar, battery systems, microgrid controls. Similarly, all three sites have common objectives: improve resiliency by providing power for critical services in an extended outage; in routine, non-outage operations, provide a range of grid services including demand response, peak shaving, load management, ancillary services, emission reduction.

We are working to make sure the partners can own solar and use it to reduce energy costs. Also, we are supporting these organizations to implement a range of measures that improve energy affordability via our existing programs and external resources. The RMP will be included in our November 1 IDP (Ex: AMI) filing, with a request for certification to spend a bit over \$8 million. If Commission approves, we will be implementing in the projects summer-fall 2022, with a goal for systems to go online by late 2022/early 2023.

b. Workforce Development (Bridget Dockter)

In response to the Commission's Notice, on June 17, 2020, we filed our initial Report citing a proposed \$3 billion in investments that could spur 5,000 jobs over the next five years. In that initial Report, among other things, we proposed to accelerate the build of a solar array at our Sherco Plant in Becker, Minnesota to help meet capacity needs shown for mid-2022 in our Integrated Resource Plan in Docket No. E002/RP-19-368. At that time, we committed to using union jobs in the construction of this project. We also elaborated on our existing request for proposal (RFP) bidding process that provides additional scoring points for women, veteran, or minority owned businesses. Subsequently, in Comments we filed on October 16, 2020 in this docket, we introduced the Workforce Development & Training Program and budgeted up to \$4 million for a program designed to engage and provide women and BIPOC participants with apprenticeship readiness training to enter registered apprentice programs in the utility industry and building trades. As discussed here, the goal of this program is to offer construction career readiness opportunities to under-served communities for energy related careers. On November 20, 2020, we provided a status update, indicating we were meeting with multiple stakeholders to gather input on program development and structure.

9. Adjourn

The meeting was adjourned at 11:30 a.m.