

**Minneapolis Clean Energy Partnership
BOARD MEETING**

Microsoft Teams
Tuesday, April 26, 2022
9:00 – 11:00 a.m.

2022 Q1 Meeting Notes

Board members present: Mayor Jacob Frey (Chair), Council Member Lisa Goodman, Council Member Aisha Chughtai, Interim City Coordinator Heather Johnston; Bria Shea (Vice Chair) and John Marshall from Xcel Energy; Amber Lee, Christe Singleton, and Todd Berreman (alternate) from CenterPoint Energy.

Board members absent: n/a

City of Minneapolis Staff: Luke Hollenkamp, Kim Havey, Bjorn Olson, Peter Ebnet, Patrick Hanlon, LyLy Vang-Yang, Chris Droske, Stacy Miller, Zoe Bourgerie

Xcel Energy Staff: Dan King, Bridget Dockter, Suzanne Murphy, Nick Martin

CenterPoint Energy Staff: Emma Schoppe, Al Swintek, Carter Dedolph, Ross Corson

Guests/Staff present: Patty O’Keefe (EVAC Co-Chair, CEE), Beth Tomlinson (EVAC Co-Chair, Stantec), Marcus Mills (EVAC), Jon Kuskie (EVAC, Piedmont Office Realty Trust), Timothy DenHerder-Thomas (EVAC, Cooperative Energy Futures), Kyle Samejima (Minneapolis Climate Action), Michelle Wenderlich, Rebecca Cramer, Delaney Russell (Sierra Club, Just Solar Coalition), Sean Gosiewski (Resilient Cities and Communities), Jack Hurbanis (Inclusive Financing for MN Campaign), Emilie Bouvier (Inclusive Financing for MN Campaign), Lacy Tooker-Kirkevoid (Inclusive Financing for MN Campaign), Lee Samelson, Jean Ross (Vote-Climate.org) Guest Phone Numbers (218-329-3833, 612-644-4720, 651-303-5943, 612-741-0596, 952-288-9435, 612-220-3771, 612-355-9600, 612-824-1017, 612-770-7993, 612-250-1621)

1. Welcome and Introductions

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

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 Q4 CEP Board Meeting. It was MOVED and SECONDED that the agenda for April 26, 2022 be approved. Motion CARRIED. It was MOVED and SECONDED that the minutes from November 19, 2021 be approved. Motion CARRIED.

Luke Hollenkamp noted that just prior to this meeting the Board held an email vote and Mayor Frey was elected Chair and Bria Shea was elected Vice Chair.

3. City's Climate and Energy Goals & Utilities' Alignment with City Goals

Luke Hollenkamp provided a presentation (slides 4-12) of the City's climate and energy goals, the recent adoption of a net-zero GHG emissions goals by 2050, and how this goal and conversations over the last few years within the Partnership informed the City's priorities for its work with the utilities.

Mayor Frey: The slides presented provide a great synopsis of the arc of the important conversations we have had in the Partnership over the last several years. Our City goals are informed by the latest science pertaining to our climate emergency and the slides presented clearly demonstrate that.

John Marshall and Bria Shea provided a presentation (slides 13-24) of Xcel Energy's alignment with the City's goals, noting the large amount of common ground between Xcel and the City.

Council Member Goodman: Thank you Xcel for your report and your big, important steps that are helping Minneapolis move forward toward a carbon-free economy. I'm also told that as a part of the PUC's approval of your Plan you are required to incorporate local governments' local solar generation goals into your planning process. Local solar is an important issue for the City and for me personally. The intent of the Partnership is to help the City meet its goals, but I didn't hear you mention it today. I'd like to hear you articulate how you will help the City meet this 30% goal and why it wasn't mentioned today.

Bria Shea: Xcel will be accounting for local goals per the PUC order, but our modeling software struggles to account for smaller, nuanced goals. Xcel will have stakeholder discussions with Minneapolis and other cities on how to account for these local goals in modeling. We will account for the City's goals and we need to work together to figure out how.

Council Member Goodman: After working on the City's new Public Service Building for the last five years, Xcel jacked around with the City for over a year on connecting our own solar array – so I can imagine the large barriers in the way for homeowners, schools and other groups. I need to better understand how Xcel will address these problems and the City's goals. I will also note that I have asked many times for Chris Clark of Xcel Energy to attend these Board meetings – I'd like to hear public acknowledgement that Chris Clark will be attending going forward.

John Marshall: Apologies for the delays of the City's array and I am happy to look into that further. Chris Clark does intend to attend future meetings for this, our headquarter city, but had a scheduling conflict for this meeting.

Council Member Goodman: Thank you for the clarifications regarding Chris Clark's attendance. I will keep harping on local solar because I see it as an important economic development, green jobs, and equity issue.

Mayor Frey: I am excited to see EVs were mentioned in the presentation as a priority for Xcel, but I didn't see any focus on electrification in people's homes. It would be helpful to know how Xcel intends to pursue this.

John Marshall: Xcel is exploring this in a number of projects in the public dockets. One is exploring the installation of an electric boiler for District Energy St. Paul. Future application may be other district systems, college campuses, and larger customers, but we have to consider rate structure impacts and avoid regressive impacts. Electrified thermal is also being explored for smaller residential application, but we want to avoid cross subsidization of customers end use costs.

Bria Shea: Xcel is involved in this in a PUC docket right now but we are also encountering some regulatory hurdles from the Department of Commerce. Noted Luke Hollenkamp nodding in agreement.

Mayor Free: I will pass off the Chair duties to Vice Chair Bria Shea during CenterPoint's presentation when I depart the meeting to attend the ribbon cutting of the city's first black-owned bank.

Christe Singleton, Amber Lee, and Emma Schoppe provided a presentation (slides 25-34) of CenterPoint Energy's alignment with the City's goals, focusing on commitment to reliability, safety, and affordability, as well as to energy efficiency.

Council Member Chughtai: I would be very happy to accept the invitation to the hydrogen pilot project in Minneapolis. I've heard about your power-to-hydrogen pilot project that is taking place along the river here in Minneapolis and I look forward to hearing more. I am glad to see this hydrogen would be created solely from renewable electricity and water. Also, your slides say you are looking more generally at "renewable hydrogen" specifically, which I know as "green hydrogen." Can you speak to CenterPoint's commitment to only exploring and deploying truly net-zero carbon hydrogen in your systems, and not using hydrogen created from fossil fuels or methane?

Amber Lee: CenterPoint would love to hear the City's and others' thoughts on the value of committing to green hydrogen as part of future hydrogen projects, given the interest currently and discussions at the PUC happening right now.

Council Member Chughtai: I would like more clarity from CenterPoint in the future on what type of hydrogen they are willing to commit to using. From the City's perspective we see no carbon emissions benefit from creating hydrogen from fossil fuels so we prefer green hydrogen, and we would love to hear CenterPoint making a commitment to green hydrogen moving forward.

Council Member Chughtai: It is great to hear about your net-zero goal for CenterPoint's corporate buildings and vehicles, and that will clearly benefit our community-wide goal given you have corporate buildings within Minneapolis. Your slides also show CenterPoint's goal of reducing GHG emissions 20-30% in Scope 3, which is from people using gas in their homes and businesses. However, the City needs to reduce GHG emissions overall by about 90% in that

same time period to meet our new science-based trajectory to net-zero. And the world at large needs to see emissions reductions much closer to 90% than your proposed 20-30% by 2035 to stay on track for only 1.5 degrees of warming by mid-century. Can you tell me more on how CenterPoint proposes we work together to close the disparity between CenterPoint's modest 20-30% goal and the City's 90% goal during the same years?

Amber Lee: Those are good observations and CenterPoint would like to align with the City's goal. We will continue to evaluate this corporate policy going forward – it is not static and is developing as we speak. In MN we are very focused on the next years in terms of what we can accomplish, we need to see results during that time so we can then scale toward 2035.

Christe Singleton: The pilot with green hydrogen is just one step – we think it is going to take some time to explore these areas and gain experience as the technology evolves.

Council Member Chughtai: Please clarify if CenterPoint is interested in working with the City to move CenterPoint's GHG emission reduction goals toward the City's goal and the world's climate reality.

Christe Singleton: Yes, CenterPoint is interested in that via this collaboration.

Kim Havey; Please provide clarification on the specific meaning of Green Zones automatic qualification, which was noted as an important breakthrough.

Emma Schoppe: Green Zones automatic eligibility applies to two programs: the low income weatherization program and the low income renter efficiency program. If you live in a property in a Green Zone (regardless of your income) then you automatically qualify for these two low income programs. Both programs have no cost to the customer, but the renter efficiency program does require a 50% cost share match from the property owner.

4. EVAC Co-Chair Update

Patty O'Keefe reported on Energy Vision Advisory Committee (EVAC) activity. Patty noted the new membership of EVAC for 2022-2023, with herself as a Co-Chair and Beth Tomlinson as the other Co-Chair. An EVAC working group has drafted a proposal for community engagement during the next work plan period, given the importance of getting community input on the important CEP conversations and not relying exclusively on EVAC for the community voice. EVAC also wrote a letter to City and CenterPoint Board members regarding process concerns regarding the inclusive financing item, that any significant potential actions to change the pilot should be brought forward for consideration and input from EVAC. Also, EVAC supports the City's new science-based GHG emissions target to be net-zero by 2050. EVAC notes that progress is clearly being made by all partners in the CEP, but the question is if this progress is happening fast enough. The answer is "no", the progress is not fast enough. Being as the City and the utilities see themselves as leaders of their peers, then they set the bar and that bar must be sufficient to make the necessary change. The value of the CEP is not just to be at the table, it is in taking action to meet what the science says we must do.

5. 2019-2021 Work Plan Update

IF.1: Inclusive Financing

Kim Havey provided an update. The City and CenterPoint continue to each be committed to the same shared goals for the program and have been meeting recently multiple times per week to work through the details of bringing a modified proposal to the PUC that maintains those goals. The City and the utilities have been working on this for multiple years, through multiple dockets and comment periods and have held many stakeholder meetings that we think will be successful in receiving PUC approval. CenterPoint recently requested a reply comments extension. The City and CenterPoint will schedule a meeting with EVAC before the May 13 Reply Comments deadline to discuss and address their concerns. We would like to incorporate Xcel Energy in the future as a partner in an approved program to include beneficial electrification and other energy efficiency programs. Finally, the City has been interested in an inclusive financing program since 2013 and it has been frustrating how much time it has taken, but we remain committed to moving this proposal forward to a PUC decision for approval.

Amber Lee: Thank you to the City for its partnership and this topic is a great example of the perseverance we need for the many other pilots we will need to collaborate on.

Luke Hollenkamp: Many of the phone numbers listening to today's meeting are likely tuning for this particular topic. We will note in the meeting minutes the individuals' names that contact me so they are noted for the record as attendees.

6. 2022-2023 Work Plan Development Update

Luke Hollenkamp, Dan King, and Emma Schoppe provided an update with an accompanying presentation (slides 37-43).

Peter Ebnet (being Mayor Frey's designee after the Mayor departure): Theme 1 is a priority for the Mayor and something he will be focused on. Thanks to data from the City's expanded energy reporting requirements during home sales, we have data that tells us that almost three quarters of homes need more attic insulation, and almost a quarter of homes need both attic and wall insulation - that need is even greater in Green Zones. Insulating and weatherizing homes doesn't just help the climate, it also reduces housing costs for Minneapolis residents. The Mayor announced his recommendations for ARPA funding to be used to jump start this work and the City looks forward to collaborating with the utilities to make as successful of a program as possible.

Council Member Goodman: Theme 2 is a priority for me. This work is vital for the city to equitably share in the prosperity realized from the energy transition. This means installing as many solar panels on as many city rooftops as possible, using Minneapolis companies as the contractors, Minneapolis residents and small businesses to own the panels and build wealth, and those same residents and businesses to realize energy cost savings. Locating solar panels near to where the energy is used means opportunities for improving grid reliability and resiliency and

utilizing the transmission lines that already crisscross the city. We need to work together to reduce barriers, incentivize installations, and promote local ownership. The proof of Xcel's support for the City's local solar goals will be in how well you work with the City to accomplish our goal as fast as possible.

Council Member Chughtai: Theme 3 is a priority for me. The use of gas in all of our commercial and industrial buildings alone accounts for about a quarter of the City's entire GHG emissions. Making an immediate dent in gas use in this sector is critical to meeting the City's climate goals. As scary as that is, one advantage is that compared to the residential sector there are comparatively few decision makers in the commercial/industrial sector, and the actions of those decision makers can have an outsized impact on our entire community's emissions. I am excited we can work together to help decarbonize district energy, especially those legacy systems that serve so much of downtown, with its enormous footprint. We've already picked a lot of the low-hanging in this sector, and the remainder of that won't get us anywhere near the reductions we need. We will have to challenge one another to think more creatively and make bigger commitments in order to meet our climate goals in time.

7. Adjourn

The meeting was adjourned at 11:00 am.