

Minneapolis Clean Energy Partnership

2022-2023 Work Plan



FOR BOARD CONSIDERATION: Theme 3 – September 23, 2022

By: Clean Energy Partnership Planning Team

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Work Plan Development

As set forth in the Clean Energy Partnership Memorandums of Understanding between the City of Minneapolis and both Xcel Energy and CenterPoint Energy, the Clean Energy Partnership Board (Board) shall establish a Work Plan on a biennial basis that outlines the collaborative work to be performed within a two-year timeframe. The Work Plan for each time period shall detail the deliverables that the Partners will use their best efforts to achieve. The activities within a specific Work Plan shall also contribute toward achievement of the City’s climate and energy goals, while considering utility regulatory requirements in Minnesota law.

In 2017, the Board adopted the [Work Plan Principles](#) to define and articulate the framework for future Partnership efforts as distinct Partnership Activities or Potential Collaboration Activities, as outlined below.

Partnership Activities	Potential Collaboration Activities
<p>A Partnership activity:</p> <ol style="list-style-type: none"> 1. Helps the City reach its <i>Climate Action Plan</i> and <i>Energy Vision for 2040</i> goals, 2. Initiates an action that would not happen absent the Partnership, 3. States roles for the City and at least one utility, and 4. Identifies a lead Partner. 	<p>The Partners may identify certain individual Partner activities that clearly advance the City’s climate and energy goals and may become areas of future collaboration.</p> <p>Previously existing and/or new utility programs near deployment may be considered for this section with a planned collaborative effort to leverage the Partners’ resources.</p> <p>These collaboration items may fully develop and become priority initiatives of the Clean Energy Partnership, turning into Partnership activities.</p>

This Work Plan was built upon nine months of conversations at formal CEP meetings and in informal conversations between the Partners. The following is a timeline that shows the evolution of the content of this work plan.

- [Q3 2021 Board Meeting \(Sep 22, 2021\)](#) After receiving the Partnership’s [2020 Annual Report](#), the City [stated](#) at the Board’s Q3 2020 meeting that its focus and priorities for the 2022-2023 Work Plan are:
 - 30% Local, Distributed Solar by 2030
 - Beneficial Electrification of Natural Gas End Uses
 - Deep Energy Efficiency with Community Benefits

Additionally, the Partners jointly stated at the same meeting that their strategy for the 2022-2023 Work Plan, in order to better achieve results, would be to:

- Engage on fewer projects, but with a LARGER Impact
- Increase equity and inclusion in all activities
- Activate greater engagement and collaboration with EVAC
- Recognize rolling development and implementation of some activities to align with NGIA & ECO Act timelines and engagement in Regulatory Processes

The Partners then presented concepts created by the Partners individually or collaboratively that would be further explored as work continued on the creation of the work plan.

- [Q3 2021 EVAC Meeting \(Sep 29, 2021\)](#) Staff presented the City priorities, the Partners' collective work plan strategy, and the concepts being explored for the work plan.
- [Q4 2021 Board Meeting \(Nov 19, 2021\)](#) Staff presented concepts being considered and discussed among the Partners that would address the City's priorities. Also outlined were the existing Partnership Activities from the 2019-2021 Work Plan that will be continuing toward completion.
- [Q4 2020 EVAC Meeting \(Dec 6, 2021\)](#) EVAC provided the Partners with a [formal feedback memo](#) and additionally stated that regardless of the Partnership's priorities and activities, three very important components of the Partnership's work should be: 1) financing tools that maintain affordability, particularly for low income and BIPOC customers, 2) promoting equity and reducing burdens on marginalized communities, and 3) maximizing workforce opportunity, particularly for BIPOC communities.
- [Q1 2022 EVAC Meeting \(Feb 8, 2022\)](#) Staff from the City and utilities over the previous few months considered both Board and EVAC feedback as well as continued discussing evolving concepts for consideration, and then presented three themes that emerged for the next work plan and the evolving concepts that may be included as ways to advance those themes. Those three themes were:
 - Theme 1: Decarbonize Homes via Energy Efficiency & Electrification Retrofits
 - Theme 2: Toward 30% Local Distributed Solar by 2030
 - Theme 3: Impactful Reductions in Commercial and Industrial Gas UseEVAC provided additional feedback at the meeting and also provided a draft recommendation document from a community engagement subcommittee regarding a possible way to formally and intentionally engage with community throughout the new work plan.
- [Q1 2022 Board Meeting \(Apr 26, 2022\)](#) Staff presented the three themes for the work plan and heard individually from City Board members which theme was of particular interest to them.
- [Q2 2022 EVAC Meeting \(June 8, 2022\)](#) After receiving an update from staff pertaining to the intentional engagement process with EVAC members planned for the next work plan, members identified which Theme(s) they were individually interested in being deeply involved in. EVAC members also provided to the Partners a final [EVAC Proposal for Community Engagement on Workplan Priorities](#), which the City and Xcel Energy recognized as having recommendations they used during other upcoming community engagement processes.

After continual refinement, subsequent internal and external conversations on the variety of potential concepts discussed for inclusion, and the search for areas of consensus agreement between the partners, this document represents the staff-recommendation for the 2022-2023 Work Plan.

This Work Plan document is comprised of three themes within which numerous Partnership Activities will be undertaken in 2022-2023. The Partnership Activities are responsive to the priorities set by the Board and many of the comments received from EVAC. The Partners recognize that this Work Plan was

developed and is being implemented in a year of significant transitions in Board membership and in state policy tools. The Work Plan is designed to both identify specific activities and associated deliverables as well as to provide a framework for collaboration on the themes with involvement from EVAC. Potential Collaboration Activities (listed at the end of this document for ongoing consideration) represent items of interest to a single Partner or that do not fit into the main themes and may develop over time into a collaboration among multiple Partners or a more significant effort. The following tables outline the high-level process and key milestones related to the Work Plan.

	2022		2023				2024	
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
CEP Thematic Workgroup Process								
Convene workgroups and discuss process for EVAC involvement by theme								
Workgroup meetings/workshops to inform continued Work Plan development and implementation.								
Exploration of financial resources and policy levers to accelerate implementation of the themes in Minneapolis								
Other Stakeholder Engagement Processes / Relevant Milestones								
City Climate Action and Equity Plan								
Xcel Integrated Resource Plan and Integrated Distribution Plan related stakeholder engagement (Equity, Grid of the Future, Electrification Forecasting, etc.)								
Xcel Distributed Generation Working Group								
CNP Innovation planning – for Natural Gas Innovation Act (NGIA)								
CNP & Xcel CIP Triennial Planning								
CNP and Xcel file Triennial CIP Plans								
Reporting								
Quarterly Board and EVAC progress reports								
Annual Reports								

The Partners acknowledge that other efforts are making progress towards the City’s CAP emissions target and encompass elements of the 2040 Energy Vision. Also, as the regulatory, policy, and financial environments are likely to evolve over the course of this work plan, this document should be viewed as

a living and learning document, to adapt as circumstances necessitate. The Work Plan provides a framework for how the Partners envision the large and diverse organizations they represent interacting together (and with other stakeholders) to successfully implement Partnership projects. The Planning Team will continue to provide progress reports on Partnership Activities during quarterly Board meetings and via Annual Reports.

Theme 1: DECARBONIZE HOMES VIA ELECTRIFICATION AND ENERGY EFFICIENCY RETROFITS

LEAD: City of Minneapolis

SUMMARY

The City of Minneapolis, Xcel Energy, and CenterPoint Energy jointly commit to increase existing efforts, launch new efforts, and integrate across programming to launch electrification programming and accelerate energy efficiency retrofits in Minneapolis. The Partners will leverage new incentive and programming opportunities for weatherization and gas-to-electricity fuel switching, made possible by the Natural Gas Innovation Act (NGIA) and the Energy Conservation Optimization (ECO) Act. This effort contributes toward the City's goals of accomplishing energy retrofits in 75% of homes by 2025 (2013 CAP), meeting the City's net-zero GHG emissions by 2050 trajectory, supporting housing affordability, and improving home health and safety. This effort contributes to Xcel Energy's priorities to deliver high quality customer experiences and keep bills low. This effort contributes to CenterPoint's goal of reducing emissions attributable to natural gas usage by residential and commercial customers by 20-30% by 2035.

ACTIVITY

- A. HOME ELECTRIFICATION AND ENERGY EFFICIENCY – OWNER GUIDE, CONCEPT, AND PILOT PLANNING: The City of Minneapolis will partner with a contractor to advance electrification and residential energy efficiency via three deliverables:
1. Development of a home electrification guide for motivated homeowners that is based upon currently available resources, programs, and incentives, and that promotes energy efficiency and weatherization as critical partners to electrification.
 2. Creation of a programmatic concept and roadmap for comprehensive home energy efficiency and electrification in collaboration with stakeholders (such as the Partnership, EVAC, and interested members of the Peer Learning Energy Efficiency Cohort and Minneapolis Green Zones Initiative) and incorporating community co-benefits identified in the City's 2014 Energy Vision (such as workforce development, equity, and energy literacy). Estimates of the financial resources needed to accomplish the concept will be created.
 3. Scoping of a pilot or pilots needed to transition from the current state of home energy retrofits (outlined in item #1) to the created concept (outlined in item #2).

The City will also work to identify financial tools (such as the utility franchise fees) that could raise the financial resources to realize the electrification and energy efficiency concept and also encourage carbon-free energy consumption. Xcel Energy and CenterPoint Energy will support this effort with technical calculations, summaries of existing Residential and Low-Income

programs, discussion of utility planning for expanded or new programs pertaining to electrification, and an understanding of what pilot designs maximize benefits and meet regulatory requirements.

ESTIMATED IMPLEMENTATION TIMELINE

No.	Supporting Efforts	Time Frame
1	Home Electrification Guide	<i>Summer 2022 – Winter 2023</i>
2	Creation of a programmatic concept and roadmap for comprehensive home energy efficiency and electrification in collaboration with stakeholders	<i>Fall 2022 - Summer 2023</i>
3	Scoping of a pilot or pilots needed to transition from the current state of home energy retrofits to the created concept.	<i>Summer – Fall 2023</i>

Theme 2: EQUITABLY ACCELERATE IN-BOUNDARY SOLAR IN SUPPORT OF THE CITY'S 2030 GOAL OF 30% DISTRIBUTED SOLAR

LEAD FACILITATOR: Xcel Energy

SUMMARY

The City of Minneapolis and Xcel Energy commit jointly to collaborate to create an environment that removes barriers, innovates, and fosters new development. The effort contributes toward the City's 2030 goal of 30% of electricity consumption being produced from distributed solar (defined as either within city limits or via community solar garden subscriptions), which is a component of the goal for 100% renewable electricity community-wide. This effort contributes to Xcel Energy's priorities to be responsive to the needs of those customers who desire to invest in solar generation while equitably serving all customers with clean, reliable, affordable electricity.

ACTIVITIES

- A. MUNICIPAL OPERATIONS RENEWABLE ELECTRICITY: Xcel Energy will collaborate with the City to explore novel options for how municipal operations can be served by, or receive the attributes of, new renewable electricity generation. One possibility is Xcel Energy collaborating in the City's current efforts with US Solar (City of Minneapolis Legislative Item #[2021-01017](#)) seeking the placement and sale of new, solar-generated electricity in or near Minneapolis while allowing the City's municipal operations to obtain the Renewable Energy Credits (RECs) for that electricity.

- B. RESILIENT MINNEAPOLIS PROJECT: Demonstrate the technical and market potential for co-installation of solar photovoltaic microgrids with backup battery storage to increase community resiliency through pilot projects at three Minneapolis locations: (1) the Minneapolis American Indian Center; (2) the North Minneapolis Community Resiliency Hub; and (3) Sabathani Community Center (approved June 1, 2022 in Docket #[21-694](#)).

- C. IN-BOUNDARY SOLAR TASK FORCE: Convene the City, Xcel Energy, and EVAC members in an intentional stakeholder process to explore opportunities to equitably expand access to and accelerate adoption of in-boundary solar, and renewable electricity more broadly. Workshops would address the following topics with the scope further defined with input from the task force.
 1. High level framing and discussion of the City's goal
 2. Review of factors influencing the adoption of local solar
 3. Review of current resident/customer programs facilitating solar adoption
 4. Review of state and federal level policies influencing the adoption of local solar
 5. Explore solutions and opportunities available to the City and/or Xcel Energy

ESTIMATED IMPLEMENTATION TIMELINE

No.	Supporting Efforts	Time Frame
1	Convene task force and refine scope	<i>Summer 2022</i>
2	Series of task force workshops held	<i>Summer 2022- Spring 2023</i>
3	Possible customer/resident survey	<i>Winter 2022/23</i>
4	Summary of findings and discussion of actionable outcomes	<i>Summer 2023</i>

Theme 3: IMPACTFUL REDUCTION IN COMMERCIAL & INDUSTRIAL NATURAL GAS USE

LEAD FACILITATOR: CenterPoint Energy

SUMMARY

The City of Minneapolis and CenterPoint Energy jointly commit to increase existing efforts and launch new ones to accelerate greenhouse gas (GHG) reduction from natural gas usage in the Commercial & Industrial (C/I) sector, the largest user of energy in Minneapolis and therefore the largest emitting fuel source in the City. This effort contributes to the City's goal of achieving 20% energy efficiency in C/I buildings by 2025 (2013 Climate Action Plan), which is not on track as reported in the Partnership's 2021 Annual Report. Additionally, the City's new goal of net-zero GHG emissions community-wide by 2050 necessarily requires the C/I sectors to be virtually net-zero emitting by 2050 as well. This effort also contributes to CenterPoint's corporate goal of reducing emissions attributable to natural gas usage by residential and commercial customers by 20-30% by 2035.

The Partners will develop and implement the following activities in consultation with a dedicated EVAC Task Force facilitated by CenterPoint Energy. The Partners will prioritize activities that benefit Minneapolis Green Zones. The Partners will pursue electrification and district energy opportunities made possible by new legislation NGIA and ECO Act. In particular, CenterPoint and the City will endeavor to incorporate those new opportunities, when available, into the "New Normal" Campaign described below if made a permanent part of CIP offerings to all eligible customers.

ACTIVITIES

A. LEVERAGE EXISTING PARTNERSHIP RESOURCES TO INCREASE GAS CONSERVATION: CenterPoint and the City commit to working together to increase participation and energy savings across CenterPoint Energy's C/I Conservation Improvement Programs and decrease GHG emissions from C/I buildings within the City. For 2023, CenterPoint commits to achieve an increase of at least 25%¹ in C/I CIP energy savings, equivalent to² 497,768 dekatherms (Dth) or 26,337 metric tons CO₂ equivalent (MT CO₂e) emissions avoided.

CenterPoint Energy will pursue the following activities:

- a. Develop and implement a collaborative, comprehensive campaign leading C/I properties along a pathway of energy savings services. Given the substantial, lasting impact the pandemic has had on businesses, and the less-occupied buildings in which they function,

¹ The achievement of this stretch goal is influenced by completion of large projects (such as under part [b]) during the Work Plan's timeframe; however, CenterPoint Energy or the City of Minneapolis may not have control over how customers decide to time the planning and completion of large energy efficiency projects.

² From a baseline of 398,214 Dth or 21,070 MT CO₂e emissions avoided. Based on CenterPoint Energy CIP savings in Minneapolis, 3-year average (2019-2021).

this “New Normal” Campaign develops a framework for energy analysis and system-focused recommissioning³ along with prescription measures encouraged by offering triple bonus rebates for C/I buildings in Minneapolis. Many buildings have less occupancy than pre-pandemic and have received less energy management attention than typical over the last few years, presenting opportunities for quick energy savings by retuning building automation systems to new use conditions. The effort is primarily aimed at but not limited to commercial properties of more than 50,000 square feet currently required to benchmark energy usage where most energy savings and GHG emissions reductions are expected. In addition, the campaign will encourage the participation of City-owned facilities and medium-to-small commercial properties not covered by the City’s benchmarking ordinance. Both the City and CenterPoint Energy commit to drive participation by providing funding to cover programs and services within the effort: the City with a 2022 budget of \$25,000 for up to 50 initial audits/analyses, CenterPoint paying for free system-focused recommissioning and triple bonus rebates. CenterPoint Energy will dedicate the equivalent of a quarter of an FTE (full time equivalent) for project acquisition, while leveraging the City’s publicly reported benchmarked energy data for building-specific efficiency insights. The City will assist with outreach to buildings being benchmarked in the City’s ordinance. CenterPoint Energy commits to reach out to the 350-360 benchmarked commercial properties eligible for CIP, including enhanced outreach (e.g., three contact points) to actively guide receptive customers through the New Normal Campaign. CenterPoint Energy estimates that 20-25⁴ commercial properties will complete the New Normal Campaign for a total savings of 85,000 Dth⁵ or 4,497 MT CO₂e emissions avoided.

b. Identify and commit to an intensive, multi-year effort with a Minneapolis C/I customer with natural gas usage of more than 150,000 Dth annually. The program is a holistic approach to energy management and partnering to help identify opportunities for improving the site’s business practices associated with their Corporate Environmental, Social, and Governance (ESGs) goals, while saving an estimated 15,000 Dth (10%) through phased projects. CenterPoint Energy will then use this information in conjunction with other available data regarding the customer, the market, and any additional environmental concerns to develop a 1- to 3-year proposal to assist and support the customer’s energy management plan. CenterPoint Energy aims to incorporate learnings from this project as it scales up future business partnerships around achieving shared sustainability goals.

³ System-focused recommissioning or a building tune-up consists of improvements to the building automation system.

⁴ In order to achieve the established goal, CenterPoint Energy estimated customer completion of the New Normal Campaign. CenterPoint estimates that approximately 50% of the customers who choose to receive the City of Minneapolis-funded audit/analysis may choose to complete the Campaign path.

⁵ Savings breakdown: 35% from system-focused recommissioning and 65% triple rebates.

B. IMPLEMENT NEW ELECTRIFICATION AND DECARBONIZATION OPPORTUNITIES: The Partners will work together to identify and launch new efforts to accelerate greenhouse gas (GHG) reductions from natural gas usage in the Commercial & Industrial sector. This work includes: Integration of new electrification and district energy opportunities that benefit Minneapolis C/I Customers via ECO Act and NGIA opportunities. The Partners will pursue the following:

- **DISTRICT ENERGY IN MINNEAPOLIS:** CenterPoint will partner with Hennepin County and the City of Minneapolis to develop, evaluate, and consider opportunities to decarbonize their downtown district energy center (adjacent to US Bank Stadium). As a first step, CenterPoint Energy anticipates providing funding support to Hennepin County-led efforts to identify and consider decarbonization strategies. CenterPoint Energy will also use the PUC established carbon accounting and cost-benefit frameworks and a stakeholder engagement process to vet potential District Energy pilot(s) located in Minneapolis to include in the Company’s first Innovation Plan anticipated in Q2 2023.

ESTIMATED TIMELINE DURING 2022-2023 WORK PLAN

No.	Supporting Efforts	Time Frame
1	Convene task force and refine scope	Fall 2022
2	Series of task force workshops held	Fall 2022- Spring 2023
3	Engage in CIP Triennial Planning and CenterPoint Energy Innovation Planning	Fall 2022
4	CenterPoint Energy files Natural Gas Innovation Act Plan	Q2 2023
5	Utilities file CIP 2024-2026 Triennial Plan	Summer 2023
6	Summary of findings and discussion of actionable outcomes	Summer 2023

Potential Collaboration Activities

City of Minneapolis

1. **Building Performance Standards:** The City is interested in exploring Building Performance Standards (BPS) as a GHG emissions-based policy tool to decarbonize the largest buildings in Minneapolis over time.
2. **Increasing Minneapolis Climate Action Supported by Utility Franchise Fees:** The City is interested in exploring ways to use franchise fees and other sources of revenue to incentivize carbon-free energy decisions by Minneapolis residents and businesses and to increase the breadth and scale of the City's climate action programs and policies.

Xcel Energy

1. **Transportation Electrification:** Create a supportive environment for the adoption of electric vehicles. Transportation electrification will drive impactful reductions in carbon emissions from on-road transportation, improved air quality - particularly for communities that have experienced disproportionate impacts from their proximity to freeways and major roadways, and other benefits for City residents. Xcel Energy recognizes that a priority for the City is to reduce vehicle miles travelled and collaboration activities would be developed mindful of that. An additional focus of collaboration would be on advancing equity of access to electric transportation.
2. Work with the City to identify and encourage candidate commercial and industrial customers to take part in the TOU pilot.
3. Collaborate with the City to provide tree trimmings for the Biochar Project which will reduce natural gas usage in C/I facilities among other benefits.

CenterPoint Energy