

**Minneapolis Clean Energy Partnership  
BOARD MEETING**

Minneapolis Public Service Building, Room 100  
Monday, December 11, 2023  
2:00 – 3:30 p.m.

**2023 Q4 Meeting Notes**

**Board members present:** Mayor Jacob Frey (Chair), Council Member Lisa Goodman, Council Member Aisha Chughtai, Interim City Operations Officer Heather Johnston; John Marshall and Bria Shea from Xcel Energy; Todd Berreman and Emily Suppes (proxy) from CenterPoint Energy.

**Board members absent:** Christe Singleton

**City of Minneapolis Staff:** Luke Hollenkamp, Kim Havey, Bjorn Olson, Patrick Hanlon, Chris Droske, Zach Schultz, Stacy Miller, Paul Shanafelt, Ed Eiffler Jaramillo

**Xcel Energy Staff:** Sofia Troutman, Nick Martin, Chris Clark, Suzanne Murphy

**CenterPoint Energy Staff:** Kat Knudson, Al Swintek

**Guests present:** Katie Jones (EVAC Co-Chair, CEE), Katie Cashman (Council Member-Elect for Ward 7), Lee Samelson (Community Power), Kyle Samejima (Minneapolis Climate Action)

**1. Welcome and Introductions**

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

After Introductions, Mayor Frey acknowledged that Heather Johnson and Council Member Goodman will be leaving the Board and thanked them for their great and lasting contributions to the Partnership Board over the last few years.

Mayor Frey also thanked Chris Clark for attending many of the recent Board meetings and appreciated his contributions.

John Marshall recognized Sofia Troutman as the new staff lead from Xcel Energy.

**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 2023 Q3 CEP Board Meeting. It was **MOVED** and **SECONDED** that the agenda be approved. Motion **CARRIED**. It was **MOVED** and **SECONDED** that the minutes from September 19, 2023 be approved. Motion **CARRIED**.

### **3. EVAC Co-Chair Update**

Katie Jones gave an update. At the most recent meeting EVAC had topics on a number of issues, including updates on and discussion of: the City's passage of the franchise fee increase, the corresponding launch of the Minneapolis Climate Legacy Initiative (CLI) , and the future of and improvement to the Clean Energy Partnership.

Mayor Frey asked what in EVAC's opinion would be their ideal involvement in the CLI allocation decision-making. Katie answered that models like the City's CLIC process may be useful examples of multiple points of interaction and impact. Mayor Frey said EVAC input in Q1 and Q2 of each budget process year would be most useful and asked City staff to consider this in their future engagement with EVAC and other advisory groups.

### **4. EVAC Appointment Terms**

Kat Knudson provided an update that staff recommend the terms of 12 currently appointed EVAC members be extended by one year (to include 2024) to help with continuity given the larger turnover of the Board in the coming year. 3 current EVAC members were offered extensions but opted to let their terms expire for a variety of reasons; staff will consider options for those three open seats in the coming months. In response to a question by Bria Shea, Kat clarified that one Co-Chair position is determined by the Board and one position is determined by EVAC members.

It was MOVED and SECONDED that the terms of the following members be extended to include 2024:

Timothy DenHerder-Thomas  
Marcus Mills  
John Farrell  
Molly Janis  
Katie Jones  
Mauricio Leon  
Patty O'Keefe  
Jon Kuskie  
Jamez Staples  
Beth Tomlinson  
Elizabeth Turner  
Ansha Zaman

Motion CARRIED.

### **5. 2022-2023 Work Plan – Progress Report**

Luke Hollenkamp, Nick Martin, and Kat Knudson presented updates (slides 6-31 of the meeting presentation) from the Partnership's 2022 Annual Report specifically pertaining to the 2022-2023 Work Plan.

In regards to the updates on local solar efforts, CM Goodman commented the City has found out interconnection costs for upgrades to Xcel infrastructure for our planned solar array at the

Emergency Operations Training Center are alone almost \$500,000, while the project itself is only about \$300,000. Our upcoming choice is to build an array only half the size as planned or cancel the project. How are we supposed to move forward on local solar if the City can't even proceed with this project? Why doesn't Xcel try to socialize these infrastructure upgrades costs so it isn't always the last project in an array that pays for all the upgrades?

Chris Clark responded that CM Goodman has a good point and Xcel knows state legislators are also interested in finding solutions. The PUC is going to have to take up this issue on how to socialize these costs.

Bria Shea shared that Xcel proposed to change this issue two years ago but found solar developers did not like Xcel's proposed solutions. Bria further explained that the "cost causer" must pay the infrastructure increases, which is the way the regulatory structure is currently set up. One potential idea is that these costs are socialized to all customers and not just customers in a project's specific area.

Kim Havey shared that the City has a proposed solution to this issue in our 2024 legislative priorities and we would prefer to find a solution that is mutually agreeable to the City and Xcel. CM Goodman followed up that City staff presented this proposal to Xcel in October and haven't received helpful engagement from Xcel yet.

Bria Shea is still reviewing this proposal and sees this discussion as on-going. Xcel appreciates the conversations and wants to work together, but given the number of dockets they are engaged in and unknowns about the upcoming legislative session, Xcel is holding on providing specific feedback or edits until they can see the whole picture. Bria further explained 2023 legislation related to this issue (slide 24 of the meeting presentation).

CM Goodman thanked and recognized the incredible service of Al Swintek and Suzanne Murphy to the community on behalf of CenterPoint Energy and Xcel Energy, respectively.

CM Goodman reflected back on her comments in the minutes from her first Board meeting in early 2022: "Local solar is an important issue for the City and for me personally. 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." Some improvement has been made in the solar queue issue and this has been appreciated. CenterPoint also has made major progress in the last few years. This has been the most collaborative year of the 10 years of partnership so far. Having Chris Clark attending these meetings has also been much appreciated and important to the Partnership.

Suzanne Murphy recognized CM Goodman for helping reset and change the tone of the Partnership. Al Swintek also agreed.

In recognition of the upcoming Board turnover and the launch of the Climate Legacy Initiative, Luke spoke for staff in recommending the following motion:

“Extend the current 2022-2023 Work Plan for an additional year (2024) and add that the utilities will assist the City in its implementation of aspects of the Climate Legacy Initiative, as needed and requested by the City.”

It was MOVED and SECONDED. Motion CARRIED.

## 6. Partner Updates

**Minneapolis - Climate Legacy Initiative** – Luke Hollenkamp provided an update that passage occurred of the franchise fee increases that enable the Initiative and that the budget for allocating the new fee revenue has also been adopted by the City. Thanks went out to many partners, including the utilities and their staff members who assisted the City in considering and modeling franchise fee impacts.

Mayor Frey spoke to the immense importance of this work and that it represented a step change in our climate efforts.

Chris Clark commented that a way to ensure the continued support of the Initiative is to bring in front of energy users the valuable results occurring to individual customers and the community as a whole thanks to their increased fee contributions.

Mayor Frey and CM Goodman suggested there may be ways to provide information on Initiative programs and results to customers via their monthly energy bills.

### **CenterPoint Energy –**

- Todd Berreman provided an update that on December 1st, the Department of Commerce approved CenterPoint Energy’s 2024-2026 ECO Triennial Plan. We wanted to highlight a couple of the programs in the plan:
  - Home insulation rebates are raised up to a max \$3,000 rebate for a project that includes all the components. This is an increase from the current triennial of \$1,100.
  - Air source heat pump rebates – CenterPoint increased ASHP rebate levels so they’re in more alignment with Xcel’s.
  - New programs to assist income qualified customers include a program which will help customers navigate CenterPoint’s income qualified offers. This program will also help build relationships with community organizations that serve low-income populations to raise customer awareness of CenterPoint’s programs and energy saving opportunities.
- Todd Berreman also provided an update on the CenterPoint Energy Innovation Plan. The PUC has extended the comment period. The timeline is now:
  - Jan 15, 2024: comments from stakeholders due
  - Mar 15, 2024: CenterPoint’s (and other stakeholders’) reply comments due
  - May 15, 2024: Supplemental comments due from all stakeholders
  - A hearing will follow the supplemental comment deadline, with a Commission Order expected (but not guaranteed) by July or August 2024.

CenterPoint Energy also expects to hold a fourth session in a series of stakeholder meetings in approximately April for the commenters and intervenors to settle any outstanding or contentious issues that have been highlighted during the comment period.

- Todd Berreman provided an update on the CarbinX carbon capture units. We have one unit installed and operating at Minnehaha Academy. CenterPoint is continuing to work closely with the City of Minneapolis staff to try and work through the ongoing permitting issues on the unit at Bryn Mawr. If the permitting process is successful at Bryn Mawr, we'll move ahead with the carbon capture units for Edison High School, which will be used as part of their curriculum, and at Minneapolis' Royalston maintenance garage. CM Goodman commented that the City will help CenterPoint with the plan review issues for Bryn Mawr.
- Emily Suppes provided an update on franchise fee increase implementation. We've notified the PUC of the amended Franchise Fee on customers' bills which will go into effect on Minneapolis customers' bills January 1st. To help our customers understand the upcoming franchise fee increase, we've provided information to our large commercial and industrial customers about this increase. Additionally, we've provided information to our contact center agents and to our staff who work in public facing operations roles in case they receive questions from customers.
- Kat Knudson provided an annual report follow-up regarding the metric in the annual report that covered C&I emissions (the 30% increase in gas emissions & 62% reduction in electric emissions). Two noteworthy factors were large influences. First, 2022 was measured to be 18% colder than 2006 (baseline year), which accounts for almost two-thirds of the GHG emissions increase. Second, a large commercial customer in Minneapolis, who added an onsite combined "heating plant" that's generating 22 MW of their electricity. This plant is powered by natural gas and that load wasn't on the gas-side of the emissions equation in 2006. This accounts for about 14% of what we're seeing in the emissions increase.

#### **Xcel Energy –**

- John Marshall commented regarding franchise fee increase implementation that their update is substantially similar to that given by CenterPoint.
- Bria Shea commented regarding their ECO Plan that the Plan was also approved and will be implemented on the same timeline as CenterPoint's.
- Bria Shea updated that Xcel recently received four significant awards from the Department of Energy. One for long-duration battery storage, one for Resilient Minneapolis Projects, one for transmission projects enabling almost 30,000 MW of new renewables on the grid, and about \$1 billion for the hydrogen hub. Xcel is currently negotiating with DOE and is very excited for these awards.
- Bria Shea updated that Xcel is currently working on the next Integrated Resource Plan which is due Feb 1 – it will outline the next 15 years of their system.

## **7. Adjourn**

The meeting was adjourned at 3:30 p.m.

DRAFT