

**Minneapolis Clean Energy Partnership
BOARD MEETING**

Minneapolis Central Library – Doty Board Room
Wednesday, April 24, 2024
11:30 a.m. – 1:00 p.m.

2024 Q2 Meeting Notes

Board members present: Mayor Jacob Frey (Chair), Council Vice President Aisha Chughtai, Council Member Katie Cashman (new board member), City Operations Officer Margaret Anderson Kelliher (new board member); Bria Shea from Xcel Energy; Todd Berreman from CenterPoint Energy and Brad Steber (new board member) from CenterPoint Energy.

Board members absent: John Marshall

City of Minneapolis Staff: Luke Hollenkamp, Kim Havey, Bjorn Olson, Stacy Miller, Bharat Balyan, Jocelyn Bremer

Xcel Energy Staff: Nick Martin, Suzanne Murphy, Trisha Duncan, Sofia Troutman, Jake Sedlacek

CenterPoint Energy Staff: Kat Knudson, Emily Suppes, Jason Loos

Guests present: Patty O’Keefe (EVAC Co-Chair), Marcus Mills (EVAC), Chris Duffrin (CEE), Lee Samuelson (Community Power), Alice Madden (Community Power), Brian Krohnke (Community Power), Sean Gosiewski (Resilient Cities & Communities), Michael Krause (Renewable Energy Partnership), MJ Carpio (Policy Aide for CM Chasman), Kyle Goertz (Community Power), Paul Shanafelt (Policy Aide for CVP Chughtai), Salma Said (Community Power)

1. Welcome and Introductions

Mayor Jacob Frey called the meeting to order.

2. Review and Approve Agenda and Minutes

Mayor Frey asked for a motion to approve the agenda, as well as the minutes from the 2023 Q4 CEP Board Meeting. It was **MOVED** and **SECONDED** that the agenda for today’s meeting be approved. Motion **CARRIED**. It was **MOVED** and **SECONDED** that the minutes from the December meeting be approved. Motion **CARRIED**.

3. EVAC Co-Chair Update

Patty O’Keefe gave the update on behalf of the EVAC co-chairs. She shared they have provided feedback on Climate Legacy Initiatives. A group of EVAC members put together recommendations for updates to the MOU for the Partnership. They acknowledge progress but are concerned about the pace of progress and ability to improve the flow and transparency of information to the Board. Suggesting some metric update recommendations that would be

provided during the Q2 EVAC meeting. She stated they are excited about the climate goal review. Warmest winter in her lifetime, and her mom's memory. The seriousness of the issue and how the people who will suffer the most will be the most vulnerable citizens. We have the opportunity and obligation to address these issues.

CM Cashman asked about timeline of the renewal of the MOU. Luke Hollenkamp responded that EVAC will provide their MOU recommendations at their next meeting on May 9th. The City, led by the Mayor's office, is reviewing the Franchise Agreements and Partnership MOUs and will be coordinating with Council.

Mayor Frey acknowledged the comments and effect on the most vulnerable and in particular to the city and residents of Minneapolis.

4. 2022 Annual Report Presentation

Luke Hollenkamp set the stage that, this was a review to many but an opportunity to inform new members on the latest partnership annual report. He presented information on Community Wide Greenhouse gas emissions tracking.

Metric 1 looks at the city's overall emissions reductions. The goal is to be net zero by 2050. Emissions showing a 28% reduction in emissions between the baseline year of 2006 and 2022. Five sources of emissions including electricity and natural gas. He noted that since 2006 we've seen a 58% emissions reduction from electricity and that this is mostly from Xcel's grid mix getting cleaner with more renewables and less coal on the system and extension of nuclear power. On the fossil gas side, we've seen an emissions increase of about 13%. In the remaining three categories, emissions have gone down since 2006.

Metric 2 is net zero municipal operations emissions by 2040, which is ten years prior to the community level goal. We're at 58% reduction since the 2008 baseline year. With the new goal, City staff will be working on a pathway over the next year to get there. Showed emissions by product, electricity which shows a substantial reduction due to efficiency, increased solar but most due to contracts with Renewable*Connect for electricity. For gas emissions have remained steady or increased slightly.

Kat Knudson presented on Metric 3, sharing information on Commercial and Industrial that 2022 was a significantly colder year than 2006 – in other words, we are calculating reductions relative to a baseline year that may have had atypically low natural gas use. Looking to get consent forms from some customers to share with partners. The 30% difference while largely driven by weather was also driven by some customers who have developed cogeneration heating plants that use natural gas to generate electricity and use some of the waste heat for heating (consider this part of their overall portfolio); one came in on line in 2016. This, according to Kat, represents a little over 14% of the 30% growth in gas use for 2022. This caused some reduction on the electric side to look at the cogeneration and separate it out to see the true impact. Will work with the City and Xcel Energy on this. Luke shared there was a large customer who did this and is buying less electricity from Xcel Energy now that they are buying gas to create their own electricity. He indicated that this client did this for a number of reasons, potentially

resiliency or redundancy, so they have more control over their own energy systems but not sure if there was an emissions goal as the overall emissions impact is unclear. They are also using waste heat for their own heating and other uses intending to reduce the increase of gas use. Kat said there is also another project(s) that may be coming online soon.

Mayor Frey indicated he is interested to know what that means in net reduction for whatever emissions they account for in comparison to our 2006 baseline.

CenterPoint is working to get consent forms from customers.

Luke covered Metric 5, the community-wide renewable percentage. Luke reminded the group that the goal is to use 100% electricity renewable goal by 2030. We have made progress and are at 41%. Metric 5e is the carbon-free grid mix percentage. The nuclear power plants offer a substantial amount of carbon-free electricity, so when we look at a carbon-free percentage, we're at almost 68-69%

Kim Havey shared that President Biden announced the Solar for All grant. The Department of Commerce will partner with the City to provide access to city residents through community solar gardens. The City is shooting for 30% locally community-generated solar. Using rooftop solar subscriptions and apartment buildings and other resources. Opportunity to increase participation due to the funding.

Luke Hollenkamp shared that the Workplan (originally for 2022 and 2023) was extended to 2024. The Workplan includes 3 themes: 1) Decarbonizing Homes Via Electrification, 2) Equitably Accelerate in Boundary Solar, and 3) Impactful Reductions in Commercial and Industrial Building Gas Use.

Decarbonizing homes via electrification and Energy Efficiency Retrofits (Luke Hollenkamp):

- Created home electrification guide – Electrify Everything MN website with help from utilities to ensure their links and information is correct. Partnering with suburban cities of Edina, St Louis Park and Eden Prairie.
- CM Cashman stated they hear from constituents that they can't find contractors to do the work and wondering about some of the funding options available.
- Website is contracted with CEE who has several initiatives to promote Heat Pumps. In particular, the Air Source Heat Pump Collaborative provides contractor training.
- The Electrify Everything site has information on contractors that do heat pump water heaters.
- Federal rebates process is still ongoing, but tax credits are live.
- City partnered with EVAC, CEE and utilities to create a roadmap for electrification and efficiency. Report quantifies needs and resources needed for electrification such as needed insulation. Examined dual fuel space heating which is now incentivized by Center Point.
- Launched Climate Legacy initiative with \$10M sourced from franchise fee; much of that funding goes towards weatherization of homes and city programs.
- CenterPoint has a program to get instant rebates to contractors which also helps reduce administrative costs to homeowners.

Sofia Troutman shared the theme of Accelerating In-Boundary Solar in Minneapolis:

City goal is 30% in-boundary solar. Focus on removing barriers.

- Focusing on municipal operations, facilitating rooftop where feasible and using subscription programs.
- IRA funding is now available for governments pursuing solar installations.
- Resilient Minneapolis program
- There was a meeting with EVAC to discuss barriers to adoption and suggested options.
- Focus on resolving equity concerns.
- Technical concerns highlighted such as tree cover, and access to funding, some interconnection concerns have since been resolved.
- More program options are now available.
- Community solar has shifted to be more equitable.
- EVAC meeting where Xcel Energy gathered feedback and shared information with the city on promotional material examples that Xcel can create to help promote solar options and programs.

Nick Martin shared information on Resilient Minneapolis Project:

- This project was proposed for 3 locations: Sabathani Community, Minneapolis American Indian Center, and some North Minneapolis Community Resilience Hub built and operated by Renewable Energy Partnerships (in Public School buildings).
- The primary purpose is to support resiliency of BIPOC communities through Micro Grids and Batteries.
- In March filing was submitted and revised.
- Objective & technology remains the same.
- Sabathani and American Indian Center continue to plan to install and own and operate them.
- Renewable Energy Partners wants to build own and operate the project in North Minneapolis. This will be a sub award.
- Developing MOU's with Sabathani and American Indian Center to help with staffing and support some of their broader resiliency and career building objectives.
- Also working with University of St Thomas Microgrid (Xcel Energy funded). Providing technical support on what microgrids, batteries can do and how to use.
- Also providing some community engagement support led by the city.
- Total cost \$18 Million (\$9Million coming from Xcel Energy customers)
- Moving forward to implement construction sometime in 2025 – 2026 pending delivery of components.

Kat Knudsen shared information on Theme 3 – Reducing Commercial and Industrial Emissions

- New Normal Campaign – Pathway to energy savings developed closely with the City and in some partnership with Xcel.
 - Focused on Benchmark properties, lowest quartile that could use help.
 - Provides triple rebates to participants.

- City covering copays on energy audits for lowest quartile.
- Building automation systems identify and implement “Find it and fix it” approach.
- Large holistic approach. Original partner update.
 - Abbot Northwestern Hospital turbine will be using waste heat to help generate electricity to offset gas load.
- Hennepin County Energy Center
 - Funding for a report delivered in January to focus on decarbonization of the energy center.
- Overall, the theme is just under 50% towards energy savings goals.
 - Most of this from triple rebates
 - Sabathani took advantage of triple rebates.
 - Not anticipated: direct install of free energy efficient showerheads for hotels was a success.
- Building controls tune up has long lead time.
- Originally envisioned it for office buildings but expanded to whole range of properties.
- Looking at medical, religious, educational and hospitality facilities.
 - Minneapolis Public School partnership goal to do 60 buildings – 20 audits at a time.
 - Working closely with Xcel to do two buildings at a time.
 - Schools really engaged in their decarbonization.
- Open up for customers to self-pay if they are not in the lowest quartile but interested.

CM Cashman asked about partnership with Minneapolis Housing Authority. Todd Berreman indicated that they are very proactive and have worked with CenterPoint on many programs. Minneapolis working with them as well. Full retrofit and weatherization are being pursued using modular process.

The City of Minneapolis shared their climate goals per the Climate Equity Plan (reference presentation); Xcel Energy and Center Point Energy shared theirs’ as well.

Luke shared city goals of carbon free by 2050 and staying within the carbon budget. They also want to stay under the trajectory threshold each year.

Sofia shared net zero provider by 2050. Focusing on electric heating and transportation providing 100% carbon free electricity to customers. Shared that in 2023 Xcel Energy was at 57% lower emissions than 2005. Plans to increase renewables, maintain nuclear and adding battery storage.

Kat shared CenterPoint’s company-wide goals to meet Net Zero for scope 1 and 2 and reduce 20-30% for customers’ gas emissions by 2035. Scope 1 company corporate emissions, scope 2 includes vendors, scope 3 are customer emissions. She shared the excitement over the opportunity of learning from NGIA to set more meaningful goals.

Individualized goals were shared by board members:

Mayor Frey:

- Weatherization and electrification of homes; Leveraging Climate Legacy Initiative funding with supplemental utility rebates (from CenterPoint and Xcel) and state funding.
- Block-by-block weatherization with an opt-out, not opt-in, strategy for homeowners (respecting private property)
- Green Zone focus
- Partnership with utilities and unions

COO Margaret Anderson Kelliher:

- Has done work beginning electrification of the EV Fleet and wants to do more
- Building usage and how our own (City) buildings are using resources.
- Innovation is important and the City can lead by testing and experimenting with demonstration projects.
- Interested in partnering to test different technologies to educate and inspire.

Council Vice President Chughtai:

- Interested in expanding on the Partnership's recent work and innovating to build a more resilient and electrified city.
- Emissions reductions of commercial and industrial gas emissions. 30% increase in this sector is concerning want to see that decrease and are committed to that.
- What comes next in the Partnership? What does the next iteration of the Partnership look like and how can we improve?

CM Cashman is interested in:

- Continuing CM Goodman's interest and attention to distributed solar and interconnection issues. A lot of residents trying to get solar.
- Fifteen thousand residents downtown – many buildings are served by district energy systems and residents may have no control over heating and cooling systems
- Relationship of large systems downtown and doing innovative projects
 - Cordia, CenterPoint and Xcel Energy
- Interested in Geothermal solutions to decarbonizing district energy systems

5. Partner Updates

CenterPoint Energy – Carbon Capture – Todd Berreman gave an update the carbon capture.

- Still having some permitting issues.
- CenterPoint doesn't want to move those units outside of the city and would like some help from partnership.
- CenterPoint plans to expand pilot through NGIA.

NGIA – Todd and Brad Steber addressed the Natural Gas Innovation Act:

- Getting NGIA through regulatory process
- NGIA supplemental communication is coming due May 15th, 2024.
- Weatherization is a priority.
- One pilot with deep energy retrofit with an air source heat pump with a gas backup.
- Large percentage - Aimed at lower income communities.
- Working on large industrial commercial building sector on site hydrogen funding
- He discussed Networked Geothermal options – City of Minneapolis could be a wonderful showcase.
- Not likely to implement all pilots in 2024.

Xcel Energy – IRP and ESAG Automatic Bill Credit

Nick Martin covered the new Low Usage Automatic Bill credit proposed by ESAG.

- Focused on affordability in the clean energy transition
- Carbon free cleaner and cleaner and cheap
- Want electricity to be affordable
- For some Minnesotans energy is unaffordable
- Piloting it as a new way to reduce energy burden
- With ESAG help working on the automatic bill credits
- Noted average bills for Xcel Energy are below the national average

Bria Shea shared information about the filed IRP.

- Focus on weatherization and electrification involving our union partners
- Distributed solar is a priority 7-10 active dockets right now to advance ability to get on the grid
- Restructure cost
- 100 by 2040 goal - Xcel is on track
- Will need 3% distributed generation -
- CSG legislation will allow 12 MG new
- Priority of small solar on our system

Patty O’Keefe asked if an analysis has been done regarding if the utilities’ goals that have shared combined get us to the 2035 decarbonization goal the City has.

Luke Hollenkamp shared that Partner goals have different baselines, but regardless those utility goals do not track to achieve current goals.

Todd Berreman shared that CenterPoint’s goals are throughout their national service area. They have a lot more capabilities and tools in Minnesota.

Patty O’Keefe shared that more data and analysis regarding these partner goals should be available to EVAC and it is a concern to EVAC that the utility goals do add up to achieving the City’s goals.

Luke suggested to have that a continuation of the Partner goals conversation at a future EVAC meeting.

6. Adjourn

The meeting was adjourned at 1:00 p.m.

DRAFT