

# Clean Energy Partnership - Meeting Notes

## Minneapolis Energy Vision Advisory Council

### 2024 Q1 Meeting Notes

Minneapolis City Hall Room 132

February 20, 2024

4:00 – 6:00 p.m.

#### Meeting attendees:

**EVAC members present:** Patty O’Keefe (Co-chair); Katie Jones (Co-chair); Timothy DenHerder-Thomas; Molly Janis Smith; Marcus Mills; Elizabeth Turner (online); Mauricio Leon; Jon Kuskie; John Farrell

**Staff/Guests present:** Kim Havey, City of Minneapolis; Stacy Miller (online), City of Minneapolis; Al Swintek, CenterPoint Energy; Kat Knudson, CenterPoint Energy; Nick Martin, Xcel Energy, Sofia Troutman, Xcel Energy; Emma Ingebretsen, CenterPoint Energy; VP Minneapolis Councilmember Aisha Chughtai; Minneapolis Councilmember Katie Cashman; Paul Shanafelt, City of Minneapolis; MJ Carpio City of Minneapolis; Lee Samelson, Community Power.

#### 1. Welcome and Introductions

Patty O’Keefe welcomed everyone and asked for introductions around the room.

#### 2. Review and Approve Agenda and Q2 Meeting Notes

The motion to approve the agenda was MOVED and CARRIED.

VP Councilmember Chughtai shared that she is excited about future conversations including climate legacy initiative & implementation. Interested in the work on Franchise negotiations with Xcel (Energy) and CenterPoint (Energy) and looking for a more intentional partnership to build structures and systems so we are communicating and moving together.

Councilmember Katie Cashman, New Ward 7 councilmember, thanked councilmember Lisa Goodman who served in this Clean Energy Partnership and ward 7 for a long time. She shared her background in climate advocacy. She also served on the governor’s climate Action Work Group last year for the creation of the Minnesota Climate Action Framework. She said she knows what it is like to be on the advocacy side and wants to make sure to have a good flow of communication to operationalize the recommendations coming from EVAC. She also shared her excitement to hear about the franchise agreement presentation.

CM Cashman said she’s interested in having conversations in EVAC about what we want to improve and change about the partnership. EVAC members shared some of their thoughts. A couple themes that came up were having a better understanding of how feedback is operationalized and being able to have solid mutual channels of communication. Katie Jones

said she wanted to name those things because that is really two things that keep coming back and are really excited about and having a strong partnership with the folks at the board level.

An EVAC member asked to the CMs what would you particularly like from us (EVAC)? How can we be helpful? CM Chughtai shared that it is generally helpful to hear from EVAC before attending Clean Energy Partnership Board meetings. She would like to hear thoughts in leadup or after the meeting. Making a point to do that before and after every meeting so we are in more consistent communication with each other.

CM Cashman asked about the current flow of information: Who is the representative of EVAC that shares with the council members and how does that normally go right now? EVAC shared that there is a planning team which consists of City staff, Xcel and CenterPoint staff. EVAC members offered: We do our work here and make recommendations. We may write letters and generally send them to the planning team and from there as we understand it, that it's guided to the right direction, and we give an update to the Board at each quarterly meeting. There's like 10 spaces for an EVAC update.

Those are like the formal channels that we have.

Kat Knudson added that if a letter is provided from EVAC it will be posted on the Clean Energy Partnership website along with the board notes and meeting items.

Patty O'Keefe added a lot of it is like flowed through the Co-chairs too. it might be interesting to just talk about like if there are ways that we can ensure that all EVAC members are getting to participate in that full communication. There was interest in thinking through that more.

Kim Havey shared that one way we communicate with Council Members is this group is the advisory to the Clean Energy Partnership, it is not an Advisory Board or Commission. It's established from the Memorandum of Understanding, so it's not a "report to council members" per se.

It's "report to the Board" that includes Council Members and City staff and representatives of our utilities as well. But if there are other ways you should be thinking about that, happy to discuss it.

Kat shared that CenterPoint leadership we will have a new Board member as well, which is new since the last Board meeting. Christe Singleton is retiring, and Brad Steber, who has been the second in command, is moving up. Kat also stated when there is an EVAC meeting, Xcel and CenterPoint update CEP Board members as well and we would welcome any suggestions that EVAC has, or anyone has, on how to make sure the information is constantly flowing.

### **3. Description of Franchise Agreement vs. Clean Energy Partnership MOU**

- **Kim Havey – summarized MOU vs. Franchise Agreement**
- MOU was done 10 years ago.

- Franchise agreement focuses on the right of way.
- Include discussions on process, fees, full ordinance (update)
- How folks relate, notice, communication on roadway projects, so roads don't get opened excessively due to lack of coordination
- Xcel Franchise agreement expires October 2024
- CenterPoint Franchise agreement expires in end of December 2024.
- The Franchise agreement only a once every 10-year situation.
- Shared that Minneapolis is in the process of starting up negotiations with the utility companies.
- Kim passed around information on the [League of Minnesota Cities three-page Franchise agreement outline](#) on the common things that are included within franchise agreements.
- CEP MOU is for the 3 parties to collaborate and partner to work on work plans to meet clean energy goals.
- EVAC Interest in looking at Agreement to change the MOU structure.
- MOU on the website for reference
- Can email city with question on the Franchise.
- EVAC discussed: Accountability of information flow. What becomes of letters written. The idea of voting representative on the Partnership Board from EVAC.
- Kim shared information about other clean energy partnerships.
- The interim public works director is part of the team as well.

Detailed notes from recording:

- Kim Havey shared that an **Franchise agreement** is not very common situation and in many cases cities don't go through that process, but Minneapolis has had one 30 or 40 years, but it's focused mainly on access to the right of way and in exchange for basically having a monopoly on retail access to homes and in some cases most cases small businesses as well as permit the reduction in permit fees. He shared that the process will be renewed, what the dates of, the particular things are, what fees can be charged, which includes our franchise fees, even though the franchise fee setting isn't itself a thing that's happens through the franchise agreement, the agreement to have a franchise fee that is set by the city goes through the franchise agreement and that will typically have it as a full ordinance. The City is also considering how we can better communicate roadway project timing. Minneapolis going to be bringing forward to an internal group. Recommendations or thoughts that we could be looking at and then we're going to be getting some of those things. This document will cover the basics of what our franchise agreement will be, and we may have a few things that are not covered under a traditional franchise agreement.
- **Clean Energy Partnership (MOU)** and the differences and the similarities it is ultimately, an agreement for the three parties to work together to help achieve the

cities (energy goals). He shared it is a collaborative partnership in which all the parties agree to be, working together to achieve goals that are set out.

- MOU work plans have the metrics related to our goals and if there are changes we're really interested in what a Clean Energy Partnership 2.0 could look like and how we would be bring that forward.
- One way would be getting some agreement to change within the Clean Energy Partnership MOU, which is really help with the structure is and what we agreed to do including having EVAC be a representative advisory committee to the Clean Energy Partnership.
- The franchise agreement is a much more legal document that has lots of details related to things that aren't as important specifically to sustainability. But because there's so much relationship between the development and the type of infrastructure we're doing and the relationship to the utilities, they have an overlap between the Clean Energy Partnership and the franchises.
- An EVAC member asked when the (agreements) expire. Kim shared that we have two franchise agreements. CenterPoint's expires at the end of the year, Xcel's expires in October. The City will, align hopefully with both come online the same time, which January 1st.  
Planning to focus on October, which means looking at schedules end of August to have something to start bringing forward.
- The importance of giving information ahead so that people could review it and if people had questions, they could follow up later, was emphasized knowing that sometimes people thinking information differently.
- Kat shared that Luke has said that the City is always interested in answering questions, and Kim confirmed this..
- Franchise agreement information is on the League of Minnesota Cities site. EVAC members download this and our MOU on our Clean Energy Partnership website.  
So you can then see them and compare them if you like, or have questions about them, but they are very different obviously.

Patty - Asked what the best way for EVAC is to be involved here with giving feedback on an ongoing basis. She wondered if there is a way that we can be proactive about helping to give our feedback?

Kim shared that once the City has good understanding of what issues are, there will be a time after the conversations through the utilities take place; those will be confidential.

Kim stated the best feedback could be would be with the MOU for the Clean Energy Partnership

and seeing if there things that we could add into that or change since 2015.

Katie noted that EVAC had a discussion about this last year, starting to bring this up like in a couple of key themes that came up was just having some amount of accountability. Talking about information flow and not knowing, if written letters are reviewed and what becomes of it, and have it implement anything. But that's been thrown out was having a voting representative from EVAC on the Clean Energy Partnership Board.

Katie also shared her interest in undergrounding of electrical infrastructure during road reconstructions for one from a resilience perspective.

An EVAC member asked if in the MOU process there is speed of permitting or transparency of permitting. He shared how we all have these goals to get renewable energy in the city, but we also know that that's kind of a log jam on occasion. Wanted to know if Is there will be some process where we can be more informed and realize that this partnership will work towards making this more effective to get renewables up and running quicker?

Kim Havey- It's a great suggestion. Actually, we haven't looked at like how that permitting process goes on our side, though we are a Solsmart city and so we have a fairly streamlined process on meaning like an hour like solar permitting, bigger projects.

Now that's different, but the reporting of that and understanding of what that is be helpful and it could be really interested to have like reporting from you like in this case you know Xcel energy and the utility on there like responsiveness to like interconnection and permitting. I mean that would be a unique change to the agreement.

An EVAC member stated that from a process standpoint they understand that there is a certain amount of confidentiality. And then negotiation and, back in 2013, there was no Clean Energy Partnership or this whole structure. At that point it was hard for really anybody other than the city attorneys to really know what was being discussed at all.

Procedurally he suggested it is important that there's defined certain touch points in the process such as the issues and core positions we're planning to talk about and getting feedback on that. He suggested defining some points in the process that there can be communication to EVAC as an advisor of the Partners and other stakeholders about what is being discussed and using that to inform how negotiation goes.

Kim said there is a plan to have a communications back out to the Community once the city has some more understanding of what they think. He offered to take that back to the team and outline where those touch points might be. Right now they have a time frame, but don't really have what that means as far as like to communicate with touch point with the Community.

Marcus Mills shared the idea of EVAC as an element of the Partnership MOU, not just the considerations of this conversation of building the franchise agreement this time. But it might

be actually very useful to work into the new understanding that EVAC is essentially an organization that is a part of that franchise agreement process next time. He said he understands it's too late for this time, but the idea of the advisors to all the partners being functionally and structurally outside of the conversation seems like counterintuitive and counterproductive in the process. If there's anybody who is not necessarily inside each organization but inside the process, you should be a part of the conversation.

Patty – Asked if there were any next steps to create around this conversation.

An EVAC member – Brought up there was a draft list of recommendations and was asking if there was a plan to move that forward. Patty offered for the Co-chairs to take that on.

An EVAC member - Asked if we want to have conversation about the existing MOU and explore, brainstorm and come up with suggestions. Someone suggested it would be helpful to read the franchise agreements and the MOU and think about it. He shared that the franchise enables the MOU to exist. He also suggested to think about the work plan as like, and review what kind of flexibility does the work plan create. Consider the longer-term franchise that is in place and the MOU that is in place and the work plan as it is a more dynamic document that has, as we know goals have changed since the original climate action plan as that document has changed a few times. This to enable what is needed (like a new normal campaign, PUC approval to add triple rebates, etc.).

## CenterPoint Energy Innovation Plan

**Emma Ingebretsen presented CenterPoint's Decarbonization Efforts in Minnesota which included the following points:**

- The Natural Gas Innovation Act (NGIA) Law passed 2021 as new pathway to invest in renewable energy and tech to reduce Greenhouse gasses.
- In the Act 8 innovative resources called out in the act both supply side and demand side resources. On the supply side are things that directionally replace natural gas molecules the Plan is focused on renewable natural gas and hydrogen.

And there are pathways to power to ammonia & biogas process. In addition, the Plan addresses District energy – Networked geothermal – Pipes in the ground and heat pumps in buildings to provide heat to multiple buildings.

- On the demand side: Innovative energy efficiency that we really can't do through traditional energy efficiency programs due to cost effectiveness and other constraints, carbon capture, and strategic electrification.
- The Plan is an "all of the above" approach. Looking both at short term and long-term strategies to help get to net zero.
- Filed the plan last summer. Currently it's in review by the Commission and we're hoping for decision sometime this summer. The plan is to start implementation immediately upon approval and we are preparing for that, and there will be some ramp up period.

- It's a 5 year plan that proposes 18 pilot projects, 6 R&D projects.
- Emma highlighted a few of the themes within the Plan:
- First theme – Industrial decarbonization for huge natural gas users that are more difficult to decarbonize. Several pilots offering incentives and technical support surrounding different technologies including green hydrogen, carbon capture, industrial electric heat pumps, and innovative energy efficiency rebates, more custom than we can't incentivize through traditional energy efficiency programs but still reduce GHG emissions. And finally behind-the-meter methane leak detection program. The next big focus in the portfolio is hybrid heating. A lot of decarbonization can come with electrification of heating. Hybrid allows most of decarbonization but maintaining optionality to maintain customer affordability.
- For the commercial pilot includes dual fuel rooftop units, electric heat pumps with backup heat in the packaged unit. These are rooftop units that CenterPoint has not been able to incentivize through energy efficiency. For small to medium sized businesses this would be addressing a big market for decarbonization and potential to make a big impact.
- Residential focused pilot: to install cold climate heat pumps with supplemental gas heating, likely along with deep energy retrofits.
- The next theme is investing in Made in MN resources. Low carbon fuels.
- NGIA requires utilities to spend 50% of budget on low carbon fuels. CenterPoint is prioritizing projects in MN.
- One project DEMCON – Ramsey County project (organic waste reduction) – produces renewable natural gas to be injected into current natural gas distribution.
- Additional RFPs for additional projects are currently out and we're aware of a number of those in MN under development that could supplement our system.
- Another proposal is for a green Hydrogen blending project. Could install on site solar to power electrolyzer.

The last highlight of the Plan is installing new district energy system meaning networked geothermal ground source heat pump. We're proposing a couple of pilots supporting this technology:

- CenterPoint-owned system. Proposed to develop this in an existing neighborhood. As proposed this is retrofit. Taking out gas and replacement with ground source heat pump. Planned to begin with site selection and feasibility study process.
- Customer-owned geothermal system. This could be your university campus or hospital, for example, that has multiple buildings and is in a campus-type situation. Pilot to offer financial incentive to projects that are customer led.
- Overall: Cost cap for first plan \$106MM over the five years, translating to a little under \$1.50 per month for average residential customer.
- In planning made an effort to identify IRA funding and leverage it for these projects.
- \$17MM IRA funds to be leveraged.
- Benefits – Reduce GHG emissions by 1.2MM tons, about 14% of emissions from natural gas supplied to customers in 2020 or annual energy use 150M homes.
- Support for innovation through the plan. Long term solutions to help us get to net zero.
- Industrial decarbonization is a priority.
- Investment for EE for strategic electrification that can't be included in ECO.

- What is currently and proposed in CIP/ ECO plans – If not in there then it can go in NGIA?

An EVAC member asked what if a neighborhood association buys a ground source heat pump? What kind of incentives would they look at? Emma shared up to \$25 per dekatherm of annual natural gas saved. As CenterPoint has envisioned the pilot, it would be rather complicated to administer to multiple customers instead of as a single customer. Lump sum rebate calculated based on annual natural gas reduction.

Kim shared they are in conversations with Sabathani regarding corridor to from George Floyd Square to Sabathani, including the fire station. Relatively simple to ramp up if it is approved. Big problem with existing boilers.

Hydrogen blending was discussed. Emma talked about the hydrogen pilots is getting more experience with hydrogen and that we have an industrial customer hydrogen pilot proposed in the Plan, that no one is saying hydrogen blending is a silver bullet but that it can play a small role chipping away at the carbon intensity of the fuels delivered.

There was discussion among EVAC that people left on the gas system will pay the most money. Cost bubble growing. Data collection needs to be done on pilot. Electrification cost, RNG projects. Blending the RNG is a way to put the gas somewhere.

#### 4. Update, Discussion, and Feedback about In Boundary Solar

Sofia Troutman from Xcel Energy presented information about known in boundary solar goals, resources, and barriers with the EVAC. Requested feedback and shared that she would come back to the group with some suggestions based on the feedback.

##### **Feedback noted from the EVAC team on resources and goals in Minneapolis:**

- Resilience is of interest in the community.
- Individual and community owned resources
- Economic benefits to the community
- Infrastructure that is available to the community
- Self-reliance for underserved is important.
- Increasing access to clean energy for IQ & BIPOC communities
- Need help providing a trusted source to combat predatory targeting of homeowners.
- Attorney General has cases of people scammed with solar offers.
- Could there be CBO that could act / provide solar process navigation services.

##### **Feedback on solar barriers and ideas on how to overcome them:**

- Knowledge and exposure to Minneapolis residents about solar opportunities
- Provide information about who to ask for help.
- Share information regarding siting – what makes a good or bad site.
- Focus on providing the support that individuals need to figure out whether solar is feasible for them.
- Tech focused support for individual property owners with individual financing



- Comments about how other energy infrastructure is treated as a public good but solar interconnection is not.
- Current software and tech concerns
  - Tech requires you to say what type of project it will be but have to get that information from someone else.
  - Streamlined distributed interconnection rules.
- Hosting capacity map is only updated by Xcel Energy twice per year. It would be great to provide monthly updates or at least more frequent than now.
- How to capture most value
- Help outline the procurement process and outline the value of storage.
- Permitting can be a barrier (city)
- Adapt solar app that NREAL developed that offers incentives for cities to adopt.
- Distrust among the community about rebates, utility programs and solar vendors.
- Interest by EVAC in helping people who got scammed.
- Is there a bailout opportunity for people who are struggling to make ends meet.
- Promote Attorney General's Office pay out opportunity (find out what is the level of funding)
- Minneapolis promotes Solar United Neighbors Coop
- Provides nonbiased information and tech assistance.
- Mauricio from Hennepin County Climate and Resiliency – How can Minneapolis partner with them on outreach for Green Cost Share Program?
- Neighborhood outreach is essential to get participation.
- Is there opportunity for technical assistance for homeowners about green cost share.
- Campaigns – Ambassadors in southeast and southwest Minneapolis.
- Can a checkbox be added to roof permits in Minneapolis to ask if a solar analysis has been done?
- Can't mandate assessment but can create awareness and mandate disclosure.
- Can use the opportunity to share resources if an assessment was not done.
- Commerce can provide a list of pre-selected vendors.
- Can we provide solar suitability training?
- Contractors in Minneapolis do not generally have to be licensed.
- Recommendations for designers/ contractors regarding solar suitability such as roof orientation recommendations
- Consider the time between permit application, approval, and on-site installation.
- Xcel Energy & EVAC to come back with ideas on how to help remove barriers to in boundary solar in Minneapolis through information and promote existing programs offered by Minneapolis, Xcel Energy, State and Federal programs.

## 5. Partner Updates

### Minneapolis Climate Legacy Initiative updates were shared by Kim Havey

- Green cost shares up to \$14K not covered by other things.
- New position and applications – On board in early April
- First 1M on weatherization

- Hired consultant working IGR – Take advantage of Federal and state funding.
- Environmental Justice funding – Micro grants from \$50K to \$100K
- New community garden and food waste RFP –
- Workforce classes – Working with CPED group.
- Engaging on new contract with property service department decarbonization plan
- RFP for 3-year administrative contract who administer and staffing climate legacy implantation – Due March 1
- Half went into green cost share – larger innovation grants \$175K.
- Moving forward on forestry related initiatives
- Climate pollution reduction fund – statewide initiative on weatherization 200M and some on urban agriculture. Partnering with St Paul and other cities on EV charging deployment.

**Nick Martin updated the group on Integrated Resource Plan (IRP) from Xcel Energy**

- 15-year plan where we figure out how electricity demand will be served
- Continuation of our last plan
- Phasing out coal by 2030 – 5 more between now and 2030
- Open interconnection rights to replace generation with renewables – requires building transmission lines to connect more wind and solar.
- 36MG of new wind and solar
- Additional battery storage
- 2000MG of new renewable by 2030 – exceeding MN renewable energy standard
- Reducing carbon by 88% by 2030
- Projecting to extend licenses of Prairie Island and Monticello – more controversial but key.
- Huge proportion of new resources are variable.
- Increasing electric demand for the first time in a while
- Rapidly falling coal and gas plants.
- Can revisit IRP again later.

**Kat Knudson provided a brief update about the new ECO triennial plan and general CenterPoint items**

- CenterPoint is in process of ramping up new programs and promoting new rebates.
- Especially important with a new triennial is educating contractors, like HVAC and mechanical, about the new rebates.
- The commercial trade ally kickoff event is the end of this month, the residential one was last fall.
- Finalizing contracts for current vendor-delivered programs.
- Hiring for new positions based on new triennial programs.
- In general ECO updates, we have a bill inserts going out promoting air sealing and insulation and water heater rebates. The water heater one mentions the tax credit, and gives link to a list of all eligible water heaters. The ASI one leads to information on rebate eligible installers.
- CenterPoint is sponsoring the Special Olympics Polar Plunge the first weekend in March – presenting sponsor of the warming house promoting energy efficiency.

**Meeting Adjourned**