MEETING NOTES

Clean Energy Partnership Energy Vision Advisory Committee (EVAC) | Q3 2025 Meeting

Date: Monday, September 29, 2025, | Time: 4:00 – 6:00 pm

Location: Minneapolis City Hall – Room 132 (350 Fifth St. S., Minneapolis, MN 55415)

Meeting attendees: Patty O'Keefe, Marcus Mills, Molly Janis (virtually), Elizabeth Turner, Timothy DenHerder-Thomas, John Farrell

Staff/guests present: Luke Hollenkamp, City of Minneapolis; Julia Hanson, CenterPoint Energy; Ethan Warner, CenterPoint Energy; Kat Knudson, CenterPoint Energy; Sofia Troutman, Xcel Energy, Ed Eiffler Jaramillo, City of Minneapolis; Lee Samuelson.

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1. Welcome and Introductions (Patty O'Keefe, Marcus Mills)

- EVAC co-chairs welcomed attendees and confirmed the quorum. Members introduced themselves and shared updates.
- A sheet documenting EVAC recruiting recommendations (names and organizations) was passed around.

2. Approve agenda and Q2 Meeting Minutes (Marcus Mills)

- Motion to approve the amended agenda to include a franchise fee discussion was MOVED and CARRIED.
- Motion to approve Q2 2025 Meeting Notes with minor attendance and spelling corrections was MOVED and CARRIED.

3. Q3 Board Meeting Update (Patty O'Keefe)

- The Q3 Board meeting was held on September 16, 2025.
- Highlights included:
  - Presentation on the Annual Report.
  - Acknowledgement and discussion around the fact that five of seven goals are not on track.
  - EVAC:
    - Cohort recruitment discussion.
    - Most of EVAC's suggestions for Charter amendments were adopted by the Board.
  - Partner updates:
    - CenterPoint Energy shared progress on geothermal and renewable natural gas pilots.
    - Xcel Energy discussed winter (October-May) electric heating rate for residential customers who use electricity as their primary source of heat.

        - Minneapolis provided updates on geothermal pilot selections.

4. Charter Change Recommendations - Board Response (Julia Hanson)

- Board expressed appreciation for EVAC's thoughtful consideration and careful reflection on how to advance as a committee.
- EVAC expressed appreciation for the Board's support.
- No changes were made to EVAC's charge.
- Board approved most proposed charter amendments. Notable changes included:
    - Clarifying and optimizing EVAC's advisory role.
    - Improved language around recruitment.
    - One specific diversity-related language change around membership was not adopted in favor of including a broader definition of diversity.
- Next steps:
    - Add new Charter to the website.

5. Annual Report Update and Discussion (Luke Hollenkamp, Julia Hanson, Sofia Troutman)

- The annual report is presented in two parts: seven legacy metrics and new MOU goals.
- Overall metrics status:
    - No change in "on track"/"off track" status from prior year; most goals remain off track.
    - Metric 1: Community-wide greenhouse gas (GHG) emissions are down 36% since 2006, but the 2025 goal is unlikely to be met.
    - Metric 2: Municipal operations emissions are down 67% since 2008 and are on track, largely due to Renewable*Connect contracts.
    - Metric 3: Residential sector emissions are down 42% since 2006. Nearly met the 2025 target, but residential emissions are highly weather dependent.
    - Metric 4: Commercial/Industrial (C&I) sector emissions are down 43%, but gas usage in C&I is up 9%. Not on track for 2050 goal.
        - Gas emissions from C&I are greater than all residential emissions combined in Minneapolis, with most C&I emissions coming from building heating and small commercial operations.
    - Metric 5: Community-wide renewable electricity use is at 39% in 2024 and is not on track; most relevant is the 63% grid mix carbon-free figure (factoring in 25% nuclear generation).
        - Metric 5d – Local Actions is included in Metric 7.
    - Metric 6: Municipal operations meet the 100% renewable electricity goal via Renewable*Connect subscriptions.
    - Metric 7: Community renewable electricity from local renewables and subscriptions is at 7.9% and trending downward.

        - This is a hard metric to improve; original strategy was for Xcel Energy to reach 60% renewable by 2030 which would have been an improvement from their IRP at the time and make up the rest with local renewable actions.
- Sector focus and barriers:
    - The committee agreed to spend more time addressing C&I sector challenges, as decarbonization here is critical.
    - Electrification in C&I is progressing slowly at the national level.
    - Natural Gas Innovation Act pilots are underway for electrification, decarbonization, and renewable natural gas, but alternative fuels should be reserved for hard-to-decarbonize sectors.
    - Green Cost Share and Pollution Control Annual Registration (PCAR) fees (levied on the 60 largest emitters) are key strategies for industrial decarbonization.
    - Funds from PCAR fees support Green Cost Share and a new staff member focused on industrial pollution reduction, working closely with the PCAR group and large commercial/industrial stakeholders.
- Program effectiveness and incentives:
    - Green Cost Share is seen as an important but not sufficient strategy for meeting goals, especially in C&I.
    - Multifamily partnerships (e.g., 4D projects) help push programs in Minneapolis, but scaling up for industrial customers is challenging.
    - Green Cost Share incentives for residential solar have been reduced or eliminated to right-size incentives and respond to changing federal policy.
    - Every year, incentives are recalibrated based on available funding and policy changes.
    - New incentive calculations are being considered for municipal projects, focusing on efficient fuel switching.
- Minneapolis-specific MOUs goal data and discussion:
    - The City signed two MOUs: one with Xcel Energy and one with CenterPoint Energy.
    - For the first time, these MOUs include Minneapolis-specific commitments from the utilities to the city's residents and businesses.
    - City staff presented new data in response to these commitments, establishing a baseline for Minneapolis compared to the rest of the utilities' service territories.
    - The 2024 data is being used as a baseline, and the committee is not yet evaluating whether the new goals are on track or off track, since the data mostly predates the MOUs.
    - The Xcel Energy MOU sets targets, such as:

        - Xcel aims to reduce community-wide GHG emissions from Minneapolis electricity consumption by 91% by 2030 and 93% by 2035 from a 2006 baseline.
        - Ensuring reliability metrics like outage duration and frequency for Minneapolis perform equal to or better than Xcel's broader Minnesota territory as a whole.
    - The committee discussed the importance of tracking these new metrics and highlighted ongoing analysis and research to address reliability issues, especially after significant storm/high-wind events in 2024 which affected over 250,000 customers.
    - There was also mention of efforts to address disparities in reliability across different racial groups in Minneapolis, referencing the Chan Lab study and ongoing third-party research. Minneapolis has a concentration of racial diversity compared to the rest of the state.
        - To address this, one of the things Xcel committed to is improving methods of contacting customers about outages.
        - Additionally, the company has hired a third-party through a competitive RFP process to conduct research on disparities in reliability metrics. The work is set to begin in late 2025.
    - The CenterPoint Energy MOU goal data discussion/report:
        - Reducing weather-normalized GHG emissions attributable to Minneapolis customers' end use of natural gas by 20-30% by 2035 from a 2021 baseline, excluding exported electricity generation and adjusting for new co-generation.
            - In 2024, emissions were down 9% relative to 2021, showing progress towards this goal once the data was weather-normalized and electric generating C&I customers were removed.
            - Emissions reductions have been achieved through a comprehensive set of actions including with the Clean Energy Partnership, which has been a trusted voice in promoting energy efficiency opportunities to residents and businesses.
        - Minneapolis energy savings as a percentage of the three-year average weather-normalized energy sales in Minneapolis shall each year be equal to or better than then company's Minnesota territory as a while and 1.4% or greater by Dec. 31, 2026.
            - CenterPoint's 2024 Minneapolis overall ECO energy savings number was 2.78% and surpasses the company's statewide energy savings achievement of 1.29%.
            - These goals were met through the company's continued promotion of energy efficiency programs including enhanced outreach to

community groups and organizations and ongoing work with the city to promote the value of these programs to business and residential customers.
            - Significant increase in wall insulation projects and a smaller increase for other weatherization projects through higher utility rebates and a collaboration with the city on funding weatherization projects.
            - C&I ECO Programs significantly overperformed in 2024 and made an impactful reduction in natural gas use.
        - Total low-income ECO Triennial Plan project spending from the residential customers in Minneapolis as a percent of the three-year average gross operating revenue in Minneapolis shall each year be: equal to or better than the CenterPoint Energy's Minnesota territory as a while and 1.7% or greater by Dec. 31, 2026.
            - In 2024, spending in Minneapolis was 3.38%, higher than the 1.42% for its Minneapolis service territory.
            - Contributing factors to this high number include a new vendor in the Low Income Rental Income Efficiency program that worked closely with the city and is now expanding efforts to make the program available to other communities, along with the robust performance of the collaboration between CenterPoint's and the Weatherization Assistance Program.
- Discussion:
    - EVAC members expressed disappointment that the in-boundary solar conversation stalled after staffing changes at Xcel Energy and advocated for a renewed focus, citing resilience and cost benefits.
        - Xcel will be presenting its distribution capacity procurement plan to the Commission later this month. This might be a good opportunity to look at Minneapolis-specific opportunities and possibly partner with the city on where good unused spaces are and what kind of in-boundary solar could be done on those properties based on distribution feeder capacity.
        - This could be a topic of discussion for a future meeting, including some case studies.
    - There's interest among the committee in attached storage, distributed power plants, electric vehicles, and reducing car usage within the city as future priorities.
    - Barriers to electrification for existing C&I buildings remain significant; current financial models do not support widespread adoption.
    - The need for ongoing collaboration, working groups, and strategic planning was emphasized, especially as new EVAC members join, plus municipal elections may shift priorities.

6. Franchise Fee Discussion

- EVAC discussed a potential increase to the City's franchise fee to support the Climate Legacy Initiative (CLI), with strong support for expanded funding to successful programs like Green Cost Share.
- The committee briefly debated whether to explicitly reference the Climate Equity Plan in the statement. Most EVAC members felt alignment was implicit; Ed Eiffler Jaramillo from Mayor Frey's office suggested explicit mention could clarify equity goals.
- Committee members highlighted the importance of energy cost burden analysis and suggested that more detailed franchise fee categories could better target equity and cost stabilization.
- Broader cost pressures in Minneapolis—such as rising property taxes and insurance—were noted, underscoring the need for strategic investment to help residents and businesses manage expenses.
- Ultimately, the group decided to keep the statement as drafted, without further amendments, and a formal resolution was adopted, communicating EVAC's support for a franchise fee increase to the Clean Energy Partnership Board. The statement will be sent to the Board, with copies to relevant parties.
- The adopted resolution reads as follows:

> "Whereas, the 2024 annual report shows that the Partnership is off track on several metrics of citywide emissions reductions.
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> Whereas, the city's Climate Legacy Initiative programs have insufficient funds to meet demand.
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> Whereas, Past CLI programs have shown success in delivering economic and emissions savings for customers and community, previously.
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> Therefore, EVAC supports an increase in the city's franchise fee to support Climate Legacy Initiative funding to be used in ways focused on reducing the energy costs of Minneapolis residents and businesses while reducing greenhouse gas emissions."

7. Next Generation of EVAC (Sofia)

- EVAC discussed recruitment strategies for the next cohort. Members suggested outreach to organizations and individuals representing diverse sectors and communities. A Google Doc will be circulated to collect ideas and priorities for future work plans.
- Recruitment for new EVAC members will begin once the updated charter and website are finalized. Discussion included:

  - Reinitiating working groups with new members.
  - Creating a new Partnership Work Plan.
  - Expediting the next EVAC meeting before the Q4 Board meeting in early November.
  - Sharing a video update on the Climate Legacy Initiative and Green Cost Share.

8. Xcel Energy Electric Heat Rate Update

- Xcel shared details on a residential electric heat rate program offering lower rates during heating months. Key features include:
  - Lower rate during heating months (Oct–May) for customers using electric heating as their primary heat source.
  - No proof of electric heating is required; customers must call to request the rate.
  - Rate does not affect eligibility for low-income programs.
- EVAC noted the importance of the rate for weatherization and electrification efforts.

9. Adjourn

- Meeting adjourned at 6:00 PM.