

Energy Plan Commission

Meeting Minutes January 18 2023

Regular Meeting (City Hall Room 330)

Attendance: Commissioners: Alison Hoxie, Brian Hinderliter, Gary Olson, Robert Reichert, Cassandra Theisen, Scott Wishart **Absent:** Tari Rayala.

City Staff: Mindy Granley, Sustainability Officer; Mike LeBeau, Construction Project Supervisor; Jennifer Ondrik, Administrative Specialist; Parker Angelos, AmeriCorps VISTA Energy & Sustainability Assistant. **Absent:** Alex Jackson, Energy Coordinator; Jim Filby Williams, Director – Property, Parks, & Libraries

Call to Order:

The meeting started at 4:06pm.

Approval of November 16th 2022 Meeting Minutes:

Moved to approve by Commissioner Olson and seconded by Commissioner Hoxie

Old Business:

Any follow up from November's meeting or updates on Commission research assignments

- Sub-committee research topics; not identified that a sub-committee is needed
- Discussion of google docs; clarification; will revisit when committee wants to create sub-committees

New Business:

2023 Commission Elections (ACTION REQUIRED)

- Commissioner Olson nominated Commissioner Theisen to maintain Chair, Commissioner Hoxie seconded: unanimous support
- Commissioner Hoxie nominated Commissioner Olson for vice-chair, Commissioner Theisen seconded: unanimous support

2023 Commission Meeting Schedule (ACTION REQUESTED)

- Commissioner Olson Question: Is there any possibility of a hybrid meeting?
 - Ondrik response: official response is no, unless military leave or medical leave
- Commissioner Theisen Question: Are previous meetings recorded?
 - Ondrik response: No
- Schedule is adopted

2022 Year in Review Document (ACTION REQUESTED)

- Commissioner Olson Question: I think well done, where does this go?
 - Ondrik response: Posted on website and ask clerks to share with city council (internal email)
- Commissioner Theisen: Request to be sent to City Council?
 - Commissioner Olson moved, Commissioner Hoxie seconded
- Commissioner Olson: Moved to adopt document
 - Commissioner Hoxie second
- Commissioner Theisen: Document adopted

New Construction Assistance from Minnesota Power – Cassie Theisen & Scott Wishart

- Commissioner Theisen: Conversation within this Commission about Xcel Energy EDA program, we are going share what MN Power does offer and some research
 - Overview of Theisen's work on energy efficiency with commercial and industrial customers in central region; she is a certified energy manger (Association of Energy Engineers certification), also works with EVs and conservation efforts
- Commissioner Wishart:
 - His work includes program management and project management; works with commercial, industrial, and multi-family
- Commissioner Theisen: Frontier Energy main implementer for Minnesota (MN) Power Conservation programs
- Commissioner Theisen: two different tracks for energy conservation programs for commercial, industrial, and agricultural customers – Customized Projects and New Construction Rebates and the Self-Service Rebates
 - Customized program includes more complicated projects, encompass just about anything
- Commissioner Wishart: A huge component is the customer service that Minnesota Power offers to customers, having that relationship, direct relationship is unparalleled compared to other programs, it does take a team effort to make sure these projects move forward. MN Power is as proactive as possible to make things happen, they can be proud of this. Accessibility and user-friendliness are other benefits.
- Commissioner Theisen: Our customer program is based on custom calculations and incentives, dollar amounts based on energy savings, customization allows us to serve customers better and enhance rebates that they may have seen elsewhere
- Commissioner Wishart: So important for the customers see that MN Power wants to help them, they are willing to do research even if it is not written into a program manual.
- Commissioner Theisen: New Construction Design Assistance
 - Built into Custom Program, bundled in with custom projects
 - Frontier Energy helps implement program, very hands-on, work with contractors, electricians, having conversations through design process, helping them on the front end to install the most preferred equipment
 - Table (in slides) is a breakdown of each energy efficient measure that a customer might consider, the savings and extra cost associated with each measure; at the end

of the day its up to what the customer wants to do; MN Power understands that you may not be able to make the most energy efficient decision in every scenario

- Commissioner Wishart: These plan reviews are a hybrid plan review, a cost effective way to assist customers to maximize their savings opportunities as opposed to a full on building energy model and would cost thousands of dollars to create, those other models are great to see but this is a hybrid approach to the model where we look at specific things to proactively work with managers and engineers to maximize energy efficiency to be completed in a quicker time period
- Commissioner Theisen: Questions?
 - Granley: Customized approach seems like it has a ton of advantages. Do you have a sense of how many projects exceed the energy efficiency or conservation requirements from the state, are projects, for example, 10% above code, can you go all the way to net-zero? What are the goals? What the targets?
 - Commissioner Wishart response: Depends on what customers are looking for. Depends on which codes. We are basing off of the MN Technical Reference manual, we work to ask what makes the most sense to be most energy efficient, does it make sense to go above code? Ultimately up to the businesses and developers and architects working with them.
 - Commissioner Theisen response: Baselines are not always just code. Depends on context, we look at current energy use as a baseline or an alternative tech version usage. If there was a customer that wanted to be net-zero we would love to work with them. Benefit of customized model to work with them where they are at.
 - Commissioner Reichert: As new projects are being proposed, how do you find out about them at the beginning?
 - Commissioner Theisen response: Any way we can. Looking at newspapers, listening to city council, and looking at requests for temporary construction power. It is a fair amount of effort to get in front on these projects.
 - Commissioner Reichert: Is there coordination with the city?
 - Commissioner Theisen response: Coordination on small levels in different way, coordination with some city employees.
 - Commissioner Reichert: I would think a lot of developers would connect with the City of Duluth?
 - Commissioner Reichert: Are you looking at total heating options or only electricity?
 - Commissioner Theisen response: Any and all opportunities, customers often come with their own ideas, comes down to what customers wants at the end of the day but we push for electrification.
 - Commissioner Reichert: City Hall?
 - Commissioner Theisen response: We are aware of similar technology to what is being installed in City Hall.
 - Commissioner Reichert: Does MN Power charge developers for this process?
 - Commissioner Theisen response: No, it's all free.
 - Commissioner Reichert: Interested in taking a close look at heating source options; GHG?

- Commissioner Wishart response: As tech continues to advance there are more options.
- Commissioner Theisen: Formalized Research – triannual planning year, now planning for 2024-26 plan
 - Researching more formal EDA program as there is interest from Commission and customers
 - MN Power already offers all of the services but in less structured way
 - Looked into Xcel and Otter Tail Power
 - Connected with folks from both utilities
 - Worked with implementers
 - Xcel program very ‘cookie cutter,’ many benefits but many drawbacks
 - Doesn’t do a good job at different technologies
 - MERC and Comfort Systems are interested in partnering but they need more information before signing on to an MN Power EDA program
 - We can provide customers with a more holistic approach to their building
 - Pilot Project in International Falls with MERC, seeking info now on how beneficial the program was.
 - We are assessing a more formal program but it is somewhat redundant to what we already offer so we have to look at using funds responsibly and not increase cost on rate payers
 - We are gathering more information before a final decision
 - Maybe pull out new construction to be its own program
 - Gather more information on costs
 - Commissioner Wishart: When costs increase participation decreases, if they do a project on their own because of disinterest due to cost they may do something not in their interest without the advisors from utility like MN Power
- Commissioner Theisen: More structured and more formal Residential New Construction program
- Comments:
 - Commissioner Olson: One of the things I understand about the program is that it is a energy focused instead of GHG program, so you are not encouraging the fuel switch?
 - Commissioner Theisen response: True that we are not focusing on GHG emissions, some customers are more conscious and we do try to electrify. The measure of success of the program is kilowatt hours saved [not GHG]
 - Commissioner Olson: State should be looking at conservation programs more to encourage utilities to look at full GHG savings. Are you still working with Comfort Systems?
 - Commissioner Theisen response: Certainly, we partner with Comfort Systems, semi-recently ECO Act allows utilities to claim savings on efficient fuel systems, we don’t quite have the guidance and modeling we need to build programs around that transition right now.
- Commissioner Reichert: Question that needs to be looked at is where are the cost advantages in construction? What the long-term savings in operations?

- Commissioner Wishart response: This becomes part of the analysis looking at up-front cost. We definitely take into consideration up-front costs.
- Commissioner Wishart: Process Flow of C&I Rebate program (Comfort Systems)
 - Comfort Systems offers energy audits and analysis – we collect this as we move forward
 - Rebates may take 6-8 weeks to come to fruition
 - Being as proactive as possible before project starts, to verify what is existing, gather information on what they have
 - Having conversations when working on these projects, take a couple years to come to fruition
 - We have relationships with electricians on what works and what doesn't work in the field, we have to connect with the experts in the field on what makes sense
 - Ultimately, we want to recommend what would be the best for them
 - How are we going to quantify energy savings?
 - This is why we need to see what they have before
 - Thinking about what is cost effective as possible, where are the most savings, how long is the payback?
 - Anything that saves natural gas is something that Comfort Systems wants to look at
 - Program not as big because specific to City of Duluth
 - Questions:
 - Granley: When thinking about a customer centric approach, we at the city care about that building forever instead of just thinking about the x year payback, those carbon emissions will be there no matter the savings scheme, we care about the whole lifecycle of the building, how do we get to that conversation?
 - Commissioner Wishart response: Certainly, we need to care about our environment down the road, the example was in a business interest, we try to paint the picture of what makes sense for the business in that situation
 - Commissioner Hoxie: I want to add on to that maybe the conversation needs to change to what is their legacy, impact on the Earth, maybe the conversation needs to expand?
 - Commissioner Wishart response: I think it is, people want to do the right thing
 - Commissioner Hoxie: How do you market the right choice?
 - Commissioner Wishart response: I think it's going that way and that's a great idea
 - Commissioner Hoxie: Every business should have an energy tour of their system, it would be good to turn the conversation to how it can just benefit them besides just ROI
 - LeBeau: We are stewards of city facilities, when you touch something for the first time in one hundred years you have to look at how it will be in the next hundred years, this is the different in context, we are stewards and responding to the mayor's energy plan and not other forces

Strategic Facilities Planning – Mindy Granley & Mike LeBeau

- LeBeau:
 - Set targets for long-range planning, developing target EUI numbers in KBTU per square foot to represent energy consumption in a building for a year
 - When we develop a measure like that we can compare buildings and set goals
 - Goal is to set targets and then do an inventory of current building stock
 - Always in the process of prioritizing buildings
 - Some buildings are long past their useful lifespan, little incentive to invest in these buildings
 - Improving performance based on targets
 - Developing matrix which assess the usefulness of buildings (FCI)
 - RI number (Requirement Index) then add in other factors and needs (factored into matrix)
 - Carbon reduction is another piece to be factored into matrix
 - We have limited resources so instead of looking at ROI we develop the goal and then find the funding, but this is a real problem with budget realities, which leads to a phasing process, set priorities and then pick which buildings go first
 - Once we complete this process we conduct energy modeling with consultants
 - Once buildings are selected go into predesign process, then find funding
 - Ultimately, we would like to get back to working on OPR (introduced to commission a year or two ago)
 - Even though working together as stewards we are a very siloed organization, getting these goals community wide is another process
- Granley: I want to summarize in simple language
 - There is a need to look at buildings with climate goals in mind, we don't have the capacity internally. We will use formula funds to buy capacity that will build a facilities strategic plan
- Commissioner Olson: How do we support you in this endeavor?
 - Granley response: I want you all to understand what we do with our EECBG funds
 - LeBeau response: We will flesh out plans and then ask for support on down the line
- Commissioner Theisen: What is the expected timeline for having someone in place to plan?
 - Granley response: Not a single plan but ongoing smaller plans, a process of prioritization
 - LeBeau response: We have buildings in need of help that are keepers, system reset needs

Sustainability Officer updates – Mindy Granley

- C-SAT now 18 members across 11 departments
- City of Rochester sustainability series
- Climate Action Work Plan Update
 - 4 main objectives in the plan
 - Thinking about which objectives we have made progress on
- External Funding

- Since 2020 the city has brought in \$34 million
- West Superior Street: Active Transportation Corridor Project (RAISE Grant)
 - Encourage commission to attend public meetings on grant
- RACER Grant
- Community Geothermal Heating and Cooling Design and Development
 - Department of Energy, Geothermal Technologies Office

Energy Coordinator updates – Alex Jackson

- (City Hall Project Update that Jackson would be giving from LeBeau)
 - As expected it's a dirty, messy project, we are tearing out the core shaft of the building, lots of old wiring and conduits contaminated with lead paint
 - A couple weeks ago a contractor cut a water pipe and flooded the central shaft; did damage
 - Evicted folks on the 4th floor for work
 - This is a fresh air ventilation process with ERF and closed loop process
 - Dedicated outdoor air supply system with humidity and climate control features
 - Going from 1920s technology to state of the art

Public Comment:

- Linda Heron: Want to preface with an observation, the first few months I began to wonder if anything was going to happen, but I think you've made an incredible amount of progress, I applaud the city employees here for moving the city forward at a fast pace. I as a citizen really appreciate everything that you are doing. I recognize time and commitment. All of us need to know what's going on here.
 - 2022 Summary
 - On last page, "EPC desires to see in the future"
 - Question: Are you as a commission going to make recommendations on climate and energy policy? They seem to be stated as wishes not recommendations
 - It is not as forceful as it could be
 - Commissioner Theisen response: As these conversations come up the document is summary of what we've talked about over the years, some of the forcefulness will come out in sub-committees

Future meeting Topics

- Commissioner Reichert: Planning Commission to vote on parking policy for EVs, we could individual talk to Planning Commission
- Granley: Standards represented to planning commission on parking policy, we will send the link and will information on when the Planning Commission is meeting next
- Commissioner Olson: Are we trying to get 100% [GHG reduction] by 2050?
- Commissioner Theisen: Since city goal changes the commissions goal changes? It is not codified but strategies are the same.
- Commissioner Olson: I echo the public comment and we should talk about policy issues

- Commissioner Hoxie: Next time have a sub-committee brainstorm
- Commissioner Theisen: We have not had representatives from the water plant, it would be interesting to have their perspectives

Adjournment:

Motion to adjourn at 6:00pm by Commissioner Hinderliter, seconded by Commissioner Olson and Commissioner Theisen.