



Request for City Council Committee Action from the Department of City Coordinator

Date: February 24, 2014

To: Honorable Cam Gordon, Chair, Health, Environment & Community Engagement Committee

Subject: Minneapolis Climate Action Plan Two-year (2014-15) Priorities

Recommendations:

- Receive and File the two-year Climate Action priorities.
- Direct Sustainability staff to work collaboratively with other departments, including but not limited to Public Works, Community Planning and Economic Development, Health, and Neighborhood and Community Relations, to implement priorities, and report back to appropriate Council committees on progress and with future decision points.
- Direct Sustainability staff to report annually on progress towards emissions reduction goals and implementation of prioritized strategies.

Previous Directives:

- On January 27, 2012, the City Council adopted updated greenhouse gas reduction goals – to reduce community-wide greenhouse gas emissions 15 percent by 2015 and 30 percent by 2025 both from 2006 levels.
- On June 28, 2013, the City Council adopted the Minneapolis Climate Action Plan, which identified goals and strategies for reducing community-wide greenhouse gas emissions consistent with the City's adopted targets.
- On June 28, 2013, the City Council approved a direction to Sustainability staff to develop implementation priorities for the next 2 years (through 2015) and report back to the Regulatory, Energy and Environment Committee by November of 2013.
- On November 18, 2013, the Regulatory, Energy and Environment Committee received and filed an update on the development of Climate Action Plan priorities.

Department Information

Prepared by: Brendon Slotterback, Sustainability Program Coordinator
Approved by: Paul Aasen, City Coordinator _____
Presenters in Committee: Brendon Slotterback

Financial Impact: None

Community Impact: None

Supporting Information:

The Minneapolis City Council revised its greenhouse gas emissions reduction targets in 2012 - to reduce community emissions 15 percent by 2015 and 30 percent by 2025, all from a 2006

baseline. These targets served as the basis for the development of the Minneapolis Climate Action Plan (the Plan), adopted by the Council in June, 2013.

The Plan focuses on three key sectors: Buildings and Energy, Transportation and Land Use, and Waste and Recycling. The goals and strategies in this Plan fall primarily into the following categories:

- **Significantly improving the energy efficiency of our commercial, residential and public buildings.** Strategies are identified to improve energy efficiency in commercial and residential buildings 20 and 15 percent respectively from a baseline of growth by 2025. City and other public buildings should continue to lead the way by aggressively pursuing cost-effective energy efficiency strategies.
- **Increasing our use of local, renewable energy.** The Plan calls for increasing our use of local or directly purchased renewable energy to 10 percent of the total electricity consumed in the city by 2025. The purchase of green power, and new approaches that make renewables more accessible and widespread, like solar gardens, will be pursued. Regulatory changes will be pursued to appropriately value and incentivize renewable energy.
- **Reduce vehicle miles traveled in Minneapolis while improving accessibility and building walkable, safe, and growing neighborhoods that meet the needs of all residents.** Improving access to transit, making walking and biking inviting and safe, and building diverse neighborhoods are priorities. We will identify and promote cleaner fuels for our transportation system.
- **Reduce our waste stream by reducing waste, encouraging reuse, and increasing recycling of both organic and inorganic material.** Improving recycling performance in the city, and expanding composting and the collection of organic material are priorities, with the goal of increasing our recycling rate to 50 percent by 2025. Residents will also have more information about the lifecycle impacts of their purchasing decisions, and we will strive for more efficient processing of our wastewater.

The emissions reduction potential of the Plan goals and strategies were estimated to determine the feasibility of meeting Minneapolis' greenhouse gas emissions reduction targets. Meeting the goals set for each strategy area would bring Minneapolis' emissions 19 percent below 2006 levels by 2015, and 33 percent below 2006 levels by 2025.

Two-year priorities (2014-2015)

Upon adoption of the Climate Action Plan, the City Council directed staff to work with other departments and the Community Environmental Advisory Commission (CEAC) to develop implementation priorities for the next two years (through 2015).

Soon after the adoption of the Plan, the City Council authorized the Energy Pathways Study to develop an Energy Vision for the City, and identify potential pathways to realize the Vision including new approaches to utility franchise agreements, innovative city-utility partnerships, legislative changes, and full municipalization of energy utilities.

Since the authorization of the study, city staff has been working closely with the consultants to incorporate the goals and strategies of the Climate Action Plan into both the Energy Vision, and the strategies being analyzed as part of the Pathways study.

Staff has also been working closely with CEAC to guide them through a process to give input on climate action priorities. A subcommittee of CEAC has met multiple times to identify priorities. On November 23rd, the subcommittee met to develop their final recommendations for consideration by the full CEAC. CEAC voted in January to recommend a set of priorities for adoption by the City Council.

A number of criteria were used to develop a draft list of priorities for review by CEAC:

- **Coordination with existing/ongoing plans and policies.** Initiatives that were already ongoing, or recently begun that were identified in the Climate Action Plan were placed on the priority list. Examples include implementation of the Building Energy Benchmarking & Disclosure Ordinance, deploying car sharing services to on-street spaces, and completing a study of the costs and benefits of a citywide organics recycling program.
- **Review of departmental work plans.** Sustainability staff discussed potential priorities with staff from other departments who would be primarily responsible for implementation. Public Works, CPED and the Health Department all provided input on how suggested priorities could be accommodated in the next two years.
- **Coordination with other climate and energy-related initiatives.** The Energy Pathways Study includes detailed review of a suite of strategies pulled primarily from the Climate Action Plan, and the study identifies implementation pathways for these strategies. In addition, staff has been actively engaged in work at the Public Utilities Commission on a number of issues related to Climate Action Plan strategies. These include rulemaking around solar energy production and community solar, energy data access and privacy, and the upcoming rate case that will be filed by Xcel Energy. Strategies were identified as priorities that aligned with these initiatives.
- **Alignment with Climate Action Plan implementation goals.** The Climate Action Plan and Pathways Study prioritize strategies which will have the most significant impact on Minneapolis' greenhouse gas emissions. The Plan also identifies implementation goals besides carbon emissions reduction, such as advancing environmental and infrastructure equity between neighborhoods and communities. Priorities were sought that could advance equity while reducing emissions. Examples include developing a Green Zone initiative, expanding energy efficiency improvements in multi-family residences, and continuing to expand the urban tree canopy.

The two-year priorities reviewed and recommended by CEAC and City staff are attached.

In addition to identifying priority strategies from the Climate Action Plan, CEAC and staff worked to identify immediate next steps for implementation of each priority in the next two years. These steps are identified in the table.

Implementation tools identified by the Energy Pathways Study

Many of the strategies identified for two-year prioritization in the Buildings & Energy category were also considered as part of the Energy Pathways study as strategies to implement through new agreements with the utilities, or other pathways, such as municipalization. The formation of a Clean Energy Partnership, or other outcomes resulting from the Pathways study, will be used as implementation mechanisms for these prioritized strategies.

While the strategies identified in the Pathways study are similar to the Climate Action Plan priorities by design, there are some unique strategies in that study, such as a hospitality efficiency program and a developing a utility-operated "green tariff". These strategies should be considered as part of any future Clean Energy Partnership, and will be reported on during any progress updates related to the City's climate goals. Future updates to the Climate Action Plan will incorporate these additional strategies.

Implementation responsibilities & reporting

The implementation of Climate Action Plan priorities will occur through the actions of a number of different departments, sometimes working jointly, and sometimes working individually. Sustainability staff will be working collaboratively with other departments to understand how the priorities are being implemented through departmental work plans. The Council may receive updates or encounter decision points in multiple committees depending on which department is a key implementer. For example, any changes to solid waste and recycling programs or progress on protected bikeway planning will likely be presented by Public Works staff in the Transportation & Public Works Committee.

On an annual basis, Sustainability staff will summarize work on the Climate Action Plan priorities, and other work relating to the goals of emissions reduction, through appropriate Results Minneapolis sessions, the Sustainability Indicators report, and appropriate Council committee updates.