



## MINNESOTA ENVIRONMENTAL QUALITY BOARD

Wednesday, August 19, 2015

**Meeting Location: MPCA Board Room**

520 Lafayette Road North

St. Paul, Minnesota 55155

**1:00 p.m. – 4:00 p.m.**

**\*\*ATTENTION\*\***

**Please see attached map for building entrance and visitor parking.**

### AGENDA

- I. \*Adoption of Consent Agenda  
Proposed Agenda for August 19, 2015 Board Meeting  
July Meeting Minutes
- II. Introductions
- III. Chair's Report
- IV. Executive Director's Report
- V. Clean Power Plant Update
- VI. MPUC Externalities Docket
- VII. Potential Changes to Sherco Units in Xcel's Integrated Resource Plan (IRP)
- VIII. 2025 Energy Action Plan
- IX. Big Water MN: Ripples of Resilience
- X. Adjourn

Note: Items on the agenda are preliminary until the agenda is approved by the board.

This agenda and schedule may be made available in other formats, such as Braille, large type or audiotape, upon request. People with disabilities should contact Elizabeth Tegdesch, Board Administrator, as soon as possible to request an accommodation (e.g., sign language interpreter) to participate in these meetings.





## MINNESOTA ENVIRONMENTAL QUALITY BOARD

Wednesday, August 19, 2015

**Meeting Location: MPCA Board Room**

**St. Paul, Minnesota**

**1:00 p.m. – 4:00 p.m.**

### ANNOTATED AGENDA

#### **General**

This month's meeting will take place in the MPCA Board Room at 520 Lafayette Road in St. Paul. The EQB board meeting will be available via live stream on August 19 from 1:00 p.m. to 4:00 p.m. You will be able to access the webcast on our website: [www.eqb.state.mn.us](http://www.eqb.state.mn.us)

*The Jupiter Parking Lot is for all day visitors and is located across from the Law Enforcement Center on Grove Street. The Blue Parking Lot is also available for all day visitors and is located off of University and Olive Streets.*

#### **I. \*Adoption of Consent Agenda**

Proposed Agenda for August 19, 2015 Board Meeting  
July Meeting Minutes

#### **II. Introductions**

#### **III. Chair's Report**

#### **IV. Executive Director's Report**

#### **V. Clean Power Plan Update**

**Presenter:** Frank Kohlasch, Minnesota Pollution Control Agency  
651-757-2500

**Materials enclosed:** None

#### **Background:**

On August 3rd, 2015, President Obama announced the release of the final Clean Power Plan rule. This federal rule establishes carbon dioxide emission limits on fossil fuel power plants nationwide. The final version of the Clean Power Plan includes important changes, including many that the Minnesota Pollution Control Agency requested, that will affect how the plan will be applied in each state. This presentation will provide an overview of the final Clean Power Plan rule and how the changes in the final rule will affect Minnesota's power plants.

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\* Items requiring discussion may be removed from the Consent Agenda

\*\*Denotes a Decision Item

## **VI. Minnesota Public Utilities Commission Externalities Docket**

**Presenter:** Susan Medhaug, Department of Commerce  
651-539-1817

Zac Ruzycki, Department of Commerce

Frank Kohlasch, Minnesota Pollution Control Agency  
651-757-2500

**Materials enclosed:** None

### **Background:**

Minnesota Statute section 216b.2422, subd. 3 required the Minnesota Public Utilities Commission to establish a range of environmental costs (“externality costs”) associated with each method of electricity generation, and to use the values in conjunction with other external factors when evaluating resource options in all its proceedings. In 2014, the Commission decided to update the established values, including the range set for CO<sub>2</sub> emissions. The Minnesota Department of Commerce and the Minnesota Pollution Control Agency are joint parties to the case and will provide a status report on the progress of the proceeding and a summary of party positions.

## **VII. Potential Changes to Sherco Units in Xcel’s Integrated Resource Plan (IRP)**

**Presenter:** Kate O’Connell, Department of Commerce  
651-539-1815

Steve Rakow, Department. of Commerce  
651-539-1833

**Materials enclosed:** None

### **Background:**

Minnesota Statute section 216b.2422, subd. 2 require utilities that own electric generation resources and provide electricity to consumers directly or through partner distribution entities to file resource plans periodically with the MN Public Utilities Commission. Integrated Resource Planning (IRP) examines how the fleet of resources (including demand resources) should be modified over time to ensure that utilities can provide reliable, affordable, and environmentally sound energy service to Minnesota’s citizens and businesses. The examination considers not only how a particular resource could change but also how other resources are affected by that change, given the complex and integrated nature of a utility’s system. Northern States Power, d/b/a Xcel Energy, filed its most recent resource plan in 2015. The Department of Commerce will provide a brief overview of resource planning, present its analysis and recommendations regarding Sherco in Xcel’s IRP proceeding, and provide a status update on the docket.

## **VIII. 2025 Energy Action Plan**

**Presenter:** Annie Levinson-Falk, Legislative Energy Commission  
651-297-7137

**Materials enclosed:**

2025 Energy Action Plan Project Summary  
2025 Advisory Committee

**Background:**

This is a presentation on Minnesota's 2025 Energy Action Plan project, describing the goals, process, and partners. It will include a report on what has been heard from stakeholders from early activities, and a timeline of the activities going forward.

**IX. Big Water MN: Ripples of Resilience**

**Presenter:** Keith Hamre, City of Duluth Director of Planning and Construction Services  
218-730-5297

Jodi Slick, Ecolibrium3 Founder & CEO  
218-336-1038

**Materials enclosed:** None

**Background:**

The National Disaster Resilience Competition is a billion dollar grant opportunity from HUD centered on helping communities complete disaster recovery activities while building community resilience. The State of Minnesota is one of forty finalists for this funding after submitting an application in March that selected the most-impacted, most- distressed target area with unmet recovery needs. The Phase I application targeted the lowest income neighborhoods in the City of Duluth and unmet recovery needs from the June 2012 Northeast Minnesota floods (DR-4069). On October 27th, a Phase II application that identifies specific projects in the areas of neighborhood stabilization, economic revitalization, natural resource optimization, energy transition, and health equity will be submitted. The application will build on Phase I resiliency framing, state climate adaptation goals, the One-Watershed One-Plan concept, and locally identified priorities. It is anticipated that the integrated approach and strategies will create models that can inform approaches throughout Minnesota- Ripples of Resilience.

**X. Adjourn**



**MINNESOTA ENVIRONMENTAL QUALITY BOARD  
MEETING MINUTES**

**Wednesday, July 15, 2015  
MPCA Room Board Room, 520 Lafayette Road N, St. Paul**

**EQB Members Present:** Dave Frederickson, Julie Goehring, Brian Napstad, Erik Tomlinson, Kristin Eide-Tollefson, Mike Rothman, Tom Landwehr, Kate Knuth, John Saxhaug, John Linc Stine, Adam Duininck, Kevin McKinnon, Deputy Commissioner of DEED

**EQB Members Absent:** Charlie Zelle, Katie Clark-Sieben, Matt Massman, Dr. Ed Ehlinger

**Staff Present:** Will Seuffert, Erik Dahl, and Courtney Ahlers-Nelson

Chair Dave Frederickson called the meeting to order.

**I. Adoption of Consent Agenda and Minutes**

**II. Introductions**

**III. Chair's Report**

Introduced the *Minnesota Made* Magazine featuring Minnesota agriculture. Commissioner Frederickson led a delegation to Dusseldorf, Berlin, and Hamburg Germany in June for the 2015 Berlin Seminar on Energy Policy to further develop and nurture the partnership between the State of Minnesota and Germany.

**IV. Executive Director's Report**

The Governor convened a special session on June 12 to pass the remaining FY16-17 budgets; the EQB budget was included in these bills that were passed with additional resources for environmental review efficiency work.

We will be posting a position in the upcoming weeks for our environmental review efficiency efforts; we will get this position filled as soon as possible. We have been operating without a full staff since April. Anna Sherman is assisting our efforts at this point and will be with us through the end of July.

Reminder that Management and Analysis Division is conducting a work assessment for us; they have interviewed staff and technical reps so far and will be interviewing board members and other agency staff who have participated in EQB projects in the upcoming weeks. The purpose of this work is to explore alternative ways for the EQB to better operationalize board directed initiatives. We are trying to identify ways to optimize this work to insure we are making the best uses of resources efficiently.

CSEO modeling is still being finalized. A presentation on the final numbers and final analysis will be made in the fall.

At our next meeting in August we will be focusing on the 111D Clean Power Plant Rule as well as get updates on various PUC dockets that are currently under consideration. The September Board meeting will be presented with the Water Policy Report that is currently being constructed.

**V. Buffer Initiative**

Presenters: Sarah Strommen, Assistant Commissioner, Minnesota Department of Natural Resources, John Jaschke, Executive Director, Board of Water and Soil Resources

John Jaschke and Sarah Strommen provided a summary of the Governor's Buffer Initiative.

**VI. Environmental Review Internship Update**

Presenters: Courtney Ahlers-Nelson, EQB staff, Jessica Beske, EQB Environmental Review Intern

Jessica presented the draft revised "Preparing EAWs: A Guide for RGUs" document. The document is intended to help improve understanding of environmental review for responsible governmental units (RGU).

**VII. FY 2016 Environmental Review Work Plan**

Presenter: Courtney Ahlers-Nelson, EQB Staff

Staff provided an overview of the Environmental Review Work Plan to seek Board input on goals, timelines, and any other additional recommendations and priorities.

**VIII. One Water**

Presenter: Sam Paske, Metropolitan Council

The Met Council discussed its role in the region, as refreshed by the Thrive 2040 collaborative planning process, and how that translates to water resource sustainability efforts.

**IX. Adjourn**

The audio recording of the meeting is the official record and can be found at this link: [ftp://files.pca.state.mn.us/pub/EQB\\_Board/](ftp://files.pca.state.mn.us/pub/EQB_Board/)

Webcast is also available on the EQB website: <https://www.eqb.state.mn.us/>





## MINNESOTA'S 2025 ENERGY ACTION PLAN

Funded through a grant from the U.S. Department of Energy, the 2025 Energy Action Plan aims to develop actionable steps for priority strategies and technologies over the next 10 years, as well as provide indicators that not only illustrate Minnesota's current energy landscape but will also track and communicate the impacts of the action plan. Final products will be used to make progress in advancing clean and affordable energy.

**PURPOSE:** Develop indicators and action plans to significantly advance a number of strategies and technologies for clean, efficient energy in Minnesota between now and 2025. Building on current and recent related efforts, the project will develop recommended next steps to leverage near-term opportunities for a clean, affordable, reliable and resilient energy system.

### OUTCOMES:

1. **Baseline metrics** that depict the state's energy landscape and that identify areas that have the greatest potential for improvement through implementation of short-term clean energy strategies.
2. **Outcome indicators** to track and communicate the impacts of implementing the proposed strategies over time.
3. **Action plans** to significantly advance technologies and strategies for clean and efficient energy. The action plans will be useful to stakeholders in industries, state and local government, nonprofits, research, and other sectors.

**TIMELINE:** Data gathering and strategy development will be completed in approximately one year, after which the project will transition to advancing recommendations. Here is the next year's proposed timeline:

### Stakeholder Advisory Committee Meetings

1. **July 2015:** Introduction, discuss baseline indicators and preliminary technology/strategy focus areas
2. **Late summer-fall 2015:** Discuss baseline data, draft indicators, initial staff work on specific tactics and strategies
3. **December 2015:** Discuss detailed strategies developed by staff and technical working groups
4. **April 2016:** Discuss draft action plan and next steps

Technical working group meetings will be convened as needed.

## **PROJECT TEAM:**

1. The **Stakeholder Advisory Committee** will provide input in the development of technologies, strategies, baseline and outcome indicators, and steer the development of a 2025 Energy Action Plan.
2. The **MN Department of Commerce** and **Legislative Energy Commission** will provide high level guidance to assure that the project meets guidelines for USDOE funding, and interface with state government and the legislature.
3. **Outside consultants** will conduct analysis and research to support the deliberations of the Stakeholder Advisory Committee. The following consultants will support the project: Great Plains Institute (committee facilitation, stakeholder engagement); LHB, Inc. (metrics and indicators); Rocky Mountain Institute (analysis and report development).
4. Additional project guidance and contributions will come from **Energy Systems Consulting**, the **MN Environmental Quality Board**, the **MN Pollution Control Agency**, and the **U.S. Department of Energy**.



Legislative  
Energy  
Commission



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## 2025 Energy Action Plan Project: Stakeholder Advisory Committee

July 28, 2015

Massoud Amin, Technological Leadership Institute, University of Minnesota

Jeffrey Beale, Honeywell

Sheri Brezinka, US Green Building Council, Minnesota Chapter

Dave Chura, Minnesota Power

Gary Connett, Great River Energy

Wayne Dupuis, Fond du Lac Reservation

Jason Edens, Rural Renewable Energy Alliance

Jenny Edwards, Center for Energy and the Environment

Katie Fernholz, Dovetail Partners

Ken Geisler, Siemens

Ben Gerber, Minnesota Chamber of Commerce

Richard Graves, Center for Sustainable Building Research

Katie Gulley, BlueGreen Alliance

Zack Hansen, Ramsey County

Jen Hassebroek, City of Oakdale

Ryan Hentges, Minnesota Valley Electric Cooperative

Joe Houseman, Wellington Management

David Hughes, Target

Robert Jagusch, Minnesota Municipal Utilities Association

Justin Kaster, 2100 Advisors

Holly Lahd, Fresh Energy

Adeel Lari, Center for Transportation Studies, University of Minnesota

Nick Mark, CenterPoint Energy

Jennifer McLoughlin, City of Woodbury

Scott Norquist, 3M

Lissa Pawlisch, Clean Energy Resource Teams

Dana Persson, Green Biologics

Roopali Phadke, Macalester College

Kevin Schwain, Xcel

Jodi Slick, Ecolibrium3

Brendan Slotterback, City of Minneapolis

Ken Smith, Ever-Green Energy

Jim Weglewski, Andersen Corporation

*Members will be added to this list as additional participants confirm.*

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# VISITOR PARKING MAP

Minnesota Pollution Control Agency  
Board of Water and Soil Resources

