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SUBJECT: Duluth Taking the First Step Towards Cleaner Energy with Steam Plant

BY: Pakou Ly, Communications Office

Duluth Taking the First Step Towards Cleaner Energy with Steam Plant

[Duluth, MN] - As part of the Mayor Emily Larson's commitment to reducing carbon emissions, Duluth Energy Systems will be testing out a summer pilot initiative to go 100% coal free. Mayor Larson has set an aggressive goal of reducing carbon emissions by 80% in 2050 and 15% in her first Mayoral term. To achieve these goals, Mayor Larson identified three strategies during her State of the City address: conservation, looking at renewable energy, and reducing emissions from our utilities.

"Duluth will lead our regional transformation towards clean energy, and we start that transformation today. For the next several months we'll be running a coal free energy service for our 200+ downtown customers by switching to 100% natural gas. It's a clean win for Duluth and our environment," said Mayor Emily Larson. "Securing our \$21M bonding request for a closed loop hot water system continues to be our focus for this legislative session. We will keep up our efforts there, but we won't wait to address what we can, where we can. This is a huge first step in achieving our goal of 15% reduction in greenhouse gas during my first Mayoral term."

The pilot will run from April through October thanks to recent plant improvements which make this natural gas option possible. The project is expected to be cost neutral and there are no changes to the utility service for customers. The steam plant is fueled with an average total of 50,046 tons of coal during the year which could fill a Laker ship. Implementing this pilot means that the steam plant will use about 20,638 tons less coal (which represents a 41% reduction (see chart) or about half of a Laker ship) and is estimated to lower greenhouse gases at the plant by about 15% (comparable to 28 million miles driven for an average car). Actual emissions data will be collected monthly and monitored by Duluth Energy Systems to determine feasibility of implementing supplemental fuel sources, such as natural gas, into the future. A long-term conservation strategy such as this pilot would meet 10% of the Mayor's 15% emissions reductions goal during her first term.

Ken Smith, CEO of Ever-Green Energy who manages Duluth Energy Systems, stresses the importance of this pilot and collaboration, "We are excited to make an improvement to the fuel profile of Duluth Energy Systems services. This is a critical step for the City and we stand ready to help Duluth move towards cleaner energy and achieve carbon savings."

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About

Duluth Energy Systems is the City-owned steam plant that has provided the Canal Park and Central Business Districts with stable, reliable heat since 1932. The Duluth energy system provides heating to 165 buildings in Canal Park and downtown Duluth. We value the business relationships with our customers and work around the clock to deliver low-cost and reliable services from the Duluth Steam plant in Canal Park. Our focus on customer service is expected to provide opportunities for growth, which is one way to help stabilize customer rates.

<u>Ever-Green Energy</u> is the system manager and works closely with the <u>City of Duluth</u> leadership to operate and manage this community energy system. Together, these teams are planning important updates to this system, in an effort to save energy and prepare this system for another 80 years of service.



Pilot Project – Estimated GHG Emission Reduction by Utilizing Natural Gas in Place of Coal from April through October 2017



	Metric	% of steam plant's 2016 usage
Est. coal reduction	20,638 tons	41% of 2016 total
Est. electricity reduction	878,009 kWh	34% of 2016 total
Est. emission reduction	13,050 tons	15% of 2016 total

EPA GHG Comparisons



EPA Carbon Comparisons



EPA Estimated Carbon Sequestration (Absorbed)

