

ENERGY PLAN COMMISSION



2024 SUMMARY

Adopted by the EPC - January 15th, 2025

The Energy Plan Commission was created in November of 2019. The commission's mandate is to advise and recommend methods to help the City meet its aggressive greenhouse gas reduction goals of 80% by 2050. In March 2022 during the State of the City address, Mayor Larson announced an increased greenhouse gas reduction goal of 100% by 2050.

Since the Commission's inception, we have covered many topics including electric vehicles, renewable energy, building electrification, municipal utilities, City sustainability documents, local utility planning documents, City building updates, and more. Throughout these conversations, the Commission greatly appreciates the direction and guidance of City employees Mindy Granley (Sustainability Officer), Mike LeBeau (Construction Project Supervisor), Brett Crecelius (Community Resilience Project Coordinator) and Ted Blenkush (Energy Coordinator).

This report highlights our collective efforts to advance sustainability, enhance energy efficiency, and foster a resilient and vibrant community.

January: Recommendation Passed; Presentation about MN Natural Gas Innovation Act

The Commission passed its first recommendation to the City which was forwarded to the City Administration and the City Council.

Recommendation 1

We need to act now to assist Comfort Systems as they start transitioning to a more sustainable model for their own longevity and the benefit of their customers. The Energy Plan Commission recommends that the Duluth City Council and the Duluth Administration:

1. Create a position or task force focused on developing a plan with Duluth Comfort Systems to meet the City's goal of zero greenhouse gas (GHG) emissions by 2050.

2. Provide secure funding to support energy transition planning with Comfort Systems.

Background

- The City of Duluth has a stated goal of reducing GHG emissions 50% by 2030 and reaching carbon neutrality by 2050.
- GHG emissions from methane gas consumption within the City of Duluth have been reduced by 12.8% (2013 to 2020). This compares to GHG emissions from electricity consumption within the City of Duluth which has been reduced by 63.2% over the same time frame. (Source - Regional Indicators Initiative)
- Community wide GHG emissions from methane gas as a percent of the total community emissions has increased from 27.7% in 2013 to 41.6% in 2020. In contrast, community wide GHG emissions from electricity as a percentage of the total emissions have decreased from 50.1% in 2013 to 30.9% in 2020. (Source - Regional Indicators Initiative)
- These emissions can be reduced significantly by energy conservation measures.
- The remaining thermal energy can be totally produced by clean energy sources that are currently available and beneficial to both the utility and its customers.
- With city-wide updates to utility infrastructure come additional opportunities for resiliency planning such as burying electricity lines to reduce potential power outages.
- As customers of Comfort Systems convert to electric alternatives for their thermal energy needs, the cost of natural gas will rise for those left on the system. Since electrification often requires substantial upfront costs, this increase in cost will be borne by customers who are least able to afford these increases.
- Planning for the decarbonization of Comfort Systems should include a study of their current operations, a revision of their business model and a transition to clean energy sources which will include replacement of existing natural gas equipment.

- This transition may also include changes in City policy. This could include, for example, a policy of working with developers and builders of new or substantially renovated buildings to encourage electrification.
- A number of cities around the country have established similar long-term funding for their sustainability needs through taxes, mill rate increases, etc.

Comfort Systems success in providing a new business model is critical for Duluth's changing energy needs.

A presentation on the Minnesota Gas Innovation Natural Act was made by two representatives of CenterPoint Energy. CenterPoint Energy is the first Minnesota natural gas utility to submit a plan to the Public Utilities Commission using this recently passed law. They discussed many of the ways of decarbonizing through carbon capture, offsets, green hydrogen, district heating, heat pumps and more.

March: Update on EPC Recommendation; Housing Issues in Duluth

An update was made about the status of the EPC Recommendation passed in January. Numerous City Councilors responded to the recommendation and indicated that they would like to discuss further. A meeting was held with the City Administrator, the Chair of the EPC and the Sustainability Officer to discuss the recommendation.

A senior housing developer from the City presented on the City's housing stock, new construction, sustainability and housing development issues.

May: LEAP Update; Greenhouse Gas Updates; Energy Futures Grant announcement

The Department of Energy's Local Energy Action Program (LEAP) has concluded its study and will be issuing its report in the near future.

The City's GHG inventory for 2023 report was presented. It showed that in 2023 the corporate City of Duluth released 14,301 metric tons of carbon dioxide equivalent (MT CO₂e). This is down from the 2008 baseline of 39,066 MT CO₂e or a 63% reduction.

It was announced that the City of Duluth had received an Energy Futures Grant from the US Department of Energy. This grant will help the City build needed capacity for energy planning for both commercial building and industrial decarbonization.

July (No quorum reached): Climate Action Work Plan Update; Duluth RACER Grant Update

There was not a quorum, so no official business occurred. The following topics were presented and discussed.

The updated Duluth Climate Action Work Plan was presented.

Duluth's progress with the US Department of Energy's Renewables Advancing Community Energy Resilience (RACER) program was updated.

September (No quorum reached): Building Performance Standards; NREL Report

There was not a quorum, so no official business occurred. The following topics were presented and discussed.

A presentation was made by members of the Center for Energy and Environment (CEE) on Building Performance Standards Development in Minnesota and recent legislation passed.

The recommendations from the National Renewable Energy Lab's (NREL) LEAP draft report were discussed.

November (No quorum reached): Tax Increment Financing (TIF); Solar Development in Duluth

There was not a quorum, so no official business occurred. The following topics were presented and discussed.

Tax Increment Financing (TIF) and its implications for housing development were discussed.

An announcement of the development of a number of solar projects throughout the City was made.

In closing, the City of Duluth Energy Plan Commission remains committed to creating a sustainable and resilient future for our city and community and we are grateful to all stakeholders, City employees, and residents who share that vision.