

Climate Legacy Initiative – Information for Residents



Climate Legacy Initiative overview

In July 2023, Mayor Jacob Frey announced the creation of the Climate Legacy Initiative (CLI). This plan funds the City of Minneapolis' aggressive climate goals over the next 10 years. The CLI launches after year-long conversations with:

- Community members
- Grassroots advocates
- Nonprofits
- Unions
- Utility companies
- Business representatives

The CLI is an innovative way to achieve the City's accelerated, equitable climate goals. Through the CLI, Mayor Frey is proposing \$10 million of new dedicated funding for equitable climate action work each year. Starting in January 2024, this funding triples the City's investment in climate action. These funds are in addition to current climate funding.

The CLI funds the City's new Climate Equity Plan, which provides a roadmap for climate work over the next decade. The community-wide plan sets a goal to significantly reduce climate pollution by 2030 and become carbon neutral by 2050. It also envisions action to weatherize all homes, reduce utility bills, promote green job training, and plant more trees.

CLI program areas

The CLI is an impactful response to climate change that supports on-the-ground solutions through **eight program areas**:

1. Green jobs and training
2. Renewable and efficient energy in homes and businesses
3. Community outreach and engagement
4. Planting trees
5. Capturing carbon and storing with biochar
6. Local food and waste reduction
7. Electric vehicle charging stations
8. Administration and policy

For more information on the CLI and programming refer to Mayor Frey's new 2024 budget proposals. These include [Health](#), [Public Works](#), [Office of Public Service](#), and [Intergovernmental Relations](#).

Commitment to equity

CLI incentives will be distributed through an equity lens. The Climate Equity Plan uses the federal [Justice40 Initiative](#) as an equity benchmark. **The CLI commits at least 40% of all funding to environmental justice communities, Green Zones, and projects serving low-income populations.** To date, the City has directed over 60% of its climate investments to these communities. The CLI commits to continuing to prioritize environmental justice communities.

Track CLI impact and spending

The call for transparency from residents and community coalitions on climate action is loud and clear. The Climate Legacy Initiative will offer **community facing dashboards with data tracking where community members can see the City's spending and progress.**

Advisory System

The Mayor's CLI proposes an **independent third-party to convene an advisory system to the CLI.** This facilitator will gather a group of stakeholders on a regular basis to advise the City on CLI investments and programs. These stakeholders will **represent multiple existing advisory bodies** to the City, including the:

- Energy Vision Advisory Committee (EVAC)
- Community Environmental Advisory Commission (CEAC)
- North and South Green Zone bodies

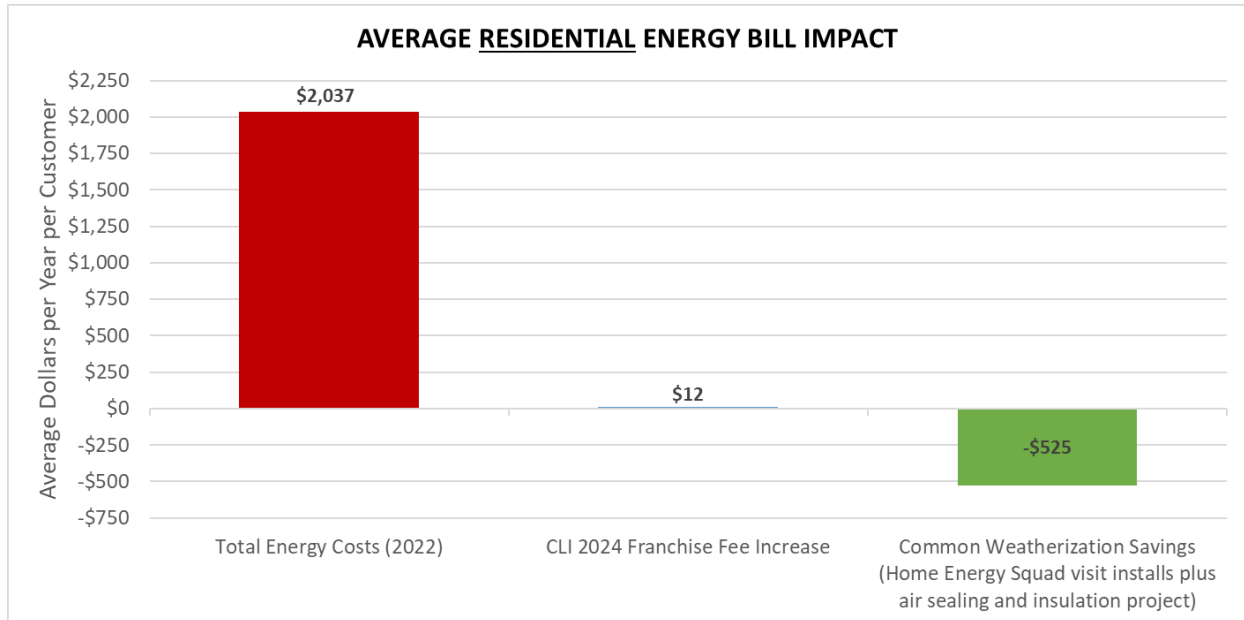
CLI funding source

Funding will come from **increases in the utility franchise fee in Minneapolis. These rates are paid on customer energy bills.** Xcel Energy and CenterPoint Energy collect these fees from customers and pay them to the City of Minneapolis. Minneapolis will dedicate the revenue from the rate increases to the CLI. This will help lower overall energy use and reduce climate pollution in Minneapolis.

Minneapolis franchise fee rates are established by city ordinance and vary by type of energy customer. [Proposed residential electricity rates](#) will increase 0.25% (from 5% to 5.25%). [Proposed residential gas rates](#) will increase 1% (from 5% to 6%).

Costs and benefits to residents

For the typical Minneapolis household, the franchise fee increase will cost **an additional \$12 a year – or \$1 a month – on average in total**. Actual costs will vary slightly depending on the size of a household and dwelling, how energy efficient it is, and how much energy it uses. This is a **small cost increase compared to average household utility bills of about \$2,000 annually**, seen below.



The CLI will offer programs to help households improve energy efficiency and reduce costs. These savings can be much greater than the fee increase. Many homes **could save over \$500 a year from just a few home upgrades supported by the CLI**. Free Home Energy Squad visits will be offered as part of the CLI. A Home Energy Squad visit can immediately save an average of \$175 a year from the free installation of weatherstripping, LED lighting, programmable or smart thermostat, and more. The free Home Energy Squad visit will also determine the amount and quality of a home’s insulation. As of 2022, 38% of Minneapolis homes had poor wall insulation and 66% had poor attic insulation. CLI funding will help pay for insulation upgrades for these homes. This makes a house more comfortable and can save \$350 annually (for a typical air sealing and insulation project in Minneapolis).

All Minneapolis residents are eligible

Everyone will be eligible for CLI programs like **free Home Energy Squad visits and 0% financing for home energy efficiency and renewable energy projects**. These programs are currently offered but have been limited to certain incomes or geographic areas. The new funding from the **CLI will make these programs available to all households**. **Other new programs and offerings** will also become available.

Benefits for renters

Renters can also receive free Home Energy Squad visits and free energy-saving installations like LED light bulbs. Rental property owners can also receive funding to make energy efficiency building upgrades that lower renters' energy bills. The CLI will **expand the popular [Minneapolis Green Cost Share program](#) to more projects in rental properties**. This will build upon years of successful projects, like [Green Rock Apartments](#). There an affordable housing property owner received Green Cost Share funding to improve the building's efficiency and lower renters' energy bills.

Ways to reduce energy costs and franchise fees

In general, the less energy you use and the less you pay for that energy, the lower your franchise fee will be.

To reduce energy use, residential **programs and incentives are offered for [electricity](#) by Xcel Energy and [gas](#) by CenterPoint Energy**. The City of Minneapolis, partnering with other local cities, also offers **home weatherization and electrification resources on the [Electrify Everything Minnesota webpage](#)**.

Many low and moderate income households are also eligible for energy programs but are not currently enrolled. Organizations exist to help connect homeowners and renters to these resources. One example is the Citizens Utility Board of Minnesota, who provides [resources \(including help via phone call\)](#) on how to take advantage of these money-saving programs.

Other funding sources

Funding for the CLI and Climate Equity Plan will come from a variety of sources, including:

- New state and federal funds
- Utility conservation and renewable energy incentives
- City revenue tools, like franchise fees
- Private funding

Many households will see this additional funding available in the form of tax credits, rebates, and financing.