



Minneapolis
City of Lakes

Office of the Mayor

R.T. Rybak
Mayor

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August 8, 2013

Dave Sparby
President & CEO
Northern States Power – Minnesota
414 Nicollet Mall
Minneapolis MN 55401

RE: CITY OF MINNEAPOLIS/XCEL ENERGY PARTNERSHIP

Dear Mr. Sparby:

Thank you for your August 8, 2013 letter. Throughout our city's history, meaningful partnerships between government, business and community have helped Minneapolis build and maintain our strong economy and outstanding quality of life. Your letter laid the groundwork for a productive, collaborative partnership that will bring forward a next-generation energy system for Minneapolis that is green, efficient, reliable and affordable.

The commitments that you have outlined in your letter gave me real hope that we can seize opportunities that have been missed in the past. I believe a collaborative approach between the City and Xcel will lead to concrete benefits for Minneapolis residents and ratepayers of which we can both be proud. For example:

- 1. Renewable energy for City streetlights.** The City of Minneapolis used approximately 98 million kWh of electricity in 2011, of which 32 million were for streetlights alone. Our streetlights are second only to the City's waterworks for usage of electricity. I appreciate Xcel's commitment to work together to explore powering our streetlights with renewable energy that is specifically for Minneapolis. Specifically, I would like Minneapolis to buy, rather than rent, renewable energy through a wind farm that we can build together for the City's use. It would be a visible sign of our collaboration that would allow Minneapolis residents to reap the full benefit of their investment.
- 2. Solar at Riverside.** One of my proudest moments as Mayor was the day that our partnership with Xcel allowed us to announce that the Riverside Power Plant was being converted from coal to cleaner natural gas. Xcel's commitment to explore making a solar investment at Riverside is the next step in providing cleaner power in North and Northeast Minneapolis.

3. **Midtown HVTL controversy.** Lake Street was completely torn up and rebuilt just a few years before Xcel sought to build new power lines through the same corridor. This led to both unnecessary conflict and increased cost as those lines are now being buried under 28th Street, which runs parallel to Lake Street. Xcel's commitment to share its capital plan with the City will help us avoid situations like this in the future by coordinating investments together for the benefit of residents and ratepayers.
4. **City solar installation at the Haaf Ramp.** We can both be proud of the contribution to renewable energy that this project is making, but the process for building it was onerous and time-consuming. Xcel's commitment to reduce barriers to the growing development of renewable energy in Minneapolis will allow for a more aggressive expansion of such facilities in the future.
5. **Reliability reporting and service quality.** Xcel's commitment to provide city-specific reliability reports and to strengthen the grid in areas that are experiencing higher-than-normal outage levels is an important step forward. We agree that this is something we must work on together, and as we do so, we will provide even greater confidence to area businesses.
6. **Shared commitment to reduce carbon emissions.** I am pleased that Xcel has offered to help the City achieve or exceed the goals in our Climate Action Plan goals, given your commitment to reduce carbon emissions by 30% by 2020. Future generations will measure both Minneapolis and Xcel by our bottom-line results in addressing climate change.

Much more work is left to do. As a part of that work, I hope that we will jointly address the unique challenges of Minneapolis' older housing stock and the dramatic benefits of improved weatherization, in both winter and summer. These benefits include increasing the affordability of living in Minneapolis, addressing climate change in the most cost-effective way possible, and creating more green jobs in our growing local green economy, among others.

I appreciate the important commitments that Xcel has made in your letter. I believe, and I think that my colleagues on the City Council believe, that we should not preempt the conversations that come next by putting a question about municipalization on the ballot three months from now. I will ask that City Coordinator Paul Aasen work with your staff to continue this conversation and solidify our next steps in building this partnership.

Sincerely,



Mayor R.T. Rybak
City of Minneapolis

cc: Council President Barbara Johnson
City Council Members
City Coordinator Paul Aasen