



## Legislation Details (With Text)

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**File created:** 10/7/2021      **In control:** Environmental Quality Commission  
**On agenda:** 10/20/2021      **Final action:** 10/20/2021  
**Title:** Carbon Reduction Fund Update.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. 1- Carbon Reduction Fund Policy\_090721, 2. 2 - Nfld Climate Champions\_for Businesses\_100721\_DRAFT, 3. 3 - ClimateChampionsSLP\_EXAMPLE, 4. 4 - Northfield Residential EE rebates, 5. 5 - Residential Energy Efficiency Rebate Program, 6. 6 - Carbon Reduction Fund 2022

Date	Ver.	Action By	Action	Result
10/20/2021	1	Environmental Quality Commission	approve	Pass

**EQC Meeting Date:** October 20, 2021

**To:** Members of the Environmental Quality Commission

**From:** Beth Kallestad, Program Coordinator

Carbon Reduction Fund Update.

### Action Requested:

The EQC receives an update on the Carbon Reduction Fund budget and programming for 2022.

### Summary Report:

The following is being provided to the EQC for their information and feedback before final budget for the Carbon Reduction Fund for 2022 is determined. The City of Northfield has created a fund, called the Carbon Reduction Fund (CRF), from a portion of the income (up to \$100,000/year) from Xcel Energy Franchise Fees, to be used for expenses related to implementing the Climate Action Plan. The past few years the City has also budgeted \$20,000 per year for CAP implementation through the Administration Department budget. This funding will now be included in the CRF budget. Staff anticipate being able to apply for some funds in November 2021 from the McKnight Foundation to offset consultant expenses for some projects. It is uncertain at this time if that grant will be funded. Franchise fee income has been coming in over 2021 and staff have been developing some programming to begin in 2022. Attached is a budget reflecting proposed income and expenses.

The Northfield City Council adopted a policy to guide staff on use of the funds and programming on September 7, 2021. A copy of the policy is attached.

Program expenses for 2022 are planned to include:

- Residential and commercial rebates for energy efficiency with the proposal that they will go through the

HRA and EDA respectively. These programs are modeled after similar programs in St. Louis Park. Draft summaries of each program are attached as well as an example flyer from St. Louis Park. Staff have discussed and reviewed this and will be sharing with HRA and EDA in November for their final approval. As these are new programs, it is unknown what level of interest there will be from the community. They will be reviewed annually and modified as needed.

- Tree planting/maintenance expenses. Funds may be used to provide some match or enhance the amount of work that can be done with current tree planting grant or to support work around Emerald Ash Borer management.
- Modeling and planning for clean energy transition options with Nokomis Energy.
- Sustainable Building Policy technical service provider through Hennepin County Efficient Buildings Collaborative. This amount is a very rough estimate, as the vendor for the program has not yet been hired by Hennepin County. Once the vendor is hired, the City of Northfield will have the option to participate via a Joint Powers Agreement. When up and running, this vendor will provide assistance to guide developers, builders and City staff.
- Education and marketing of the carbon reduction fund and energy efficiency rebates. We plan to begin a program for any interested party to donate specifically toward tree planting and maintenance needs and will want to inform the community about this option as well as the rebates. EQC will be asked to discuss this in more detail at November and December meetings.

This proposal is tentatively scheduled to be shared with City Council on November 9, 2021.

**Alternative Options:**

NA

**Financial Impacts:**

Note that not all income into CRF needs to be spent in a given year. In some years, as bigger projects emerge, some funds may be reserved.

**Tentative Timelines:**

January 1, 2022