

AGENDA
PUBLIC UTILITIES COMMISSION
December 4, 2019
3:00 P.M.

A. Call to Order

B. Roll Call

C. Approve Consent Agenda

1. Approve Agenda
2. Approve Meeting Minutes
3. Payments Report

D. Climate Action Plan Implementation

E. Solar Project

F. 2020 Budget

G. Commissioner Reports

H. Adjourn

Public Utilities Commission
Minutes
November 6, 2019

Meeting was called to order by Chair George Wilkes at 3:02 p.m.

Members present: Ann Possis and George Wilkes
Absent: Tim Kennedy
Staff Present: Mike Roth and Haden Hinchman
Others Present:

Motion by Wilkes, seconded by Possis to approve the Agenda; October 2, 2019 Minutes; and Payment of Bills. Approved unanimously.

Mike Roth presented the preliminary water and wastewater budget for 2020. He recommended no rate increase for water and a 2% rate increase for wastewater. The Commission discussed usage projections and upcoming capital projects.

The Commission discussed George Wilkes' memo of ideas for forwarding the City's climate action plan. The Commission asked staff for staffing options to meet this goal at their next meeting.

Commissioner Reports:

Ann – Contacted Nancy Kelly at SMMPA to organize a meeting about residential energy efficiency opportunities.

George – Nothing to report.

There being no further business, the meeting adjourned at 3:57 p.m.



CITY OF GRAND MARAIS

11/07/19 2:31 PM

Page 1

Payments

City of Grand Marais

Current Period: November 2019

Batch Name	11-8-19 APP	User Dollar Amt	\$130,240.07	
	Payments	Computer Dollar Amt	\$130,240.07	
				\$0.00 In Balance
Refer	78508 MN DEPT OF REVENUE-EFTPS	Ck#	004749E	11/5/2019
Cash Payment	G 601-20800 Taxes Due (State MN)			\$1,206.00
Invoice	Oct Sales Tax	10/31/2019		
Cash Payment	G 604-20800 Taxes Due (State MN)			\$12,944.00
Invoice	Oct Sales Tax	10/31/2019		
Transaction Date	11/5/2019	MAIN CHECKING G	10100	Total \$14,150.00

Fund Summary

	10100 MAIN CHECKING GMSB	
101 GENERAL FUND		\$29,495.74
211 LIBRARY		\$53.00
601 WATER		\$1,206.00
604 ELECTRIC		\$12,944.00
609 MUNICIPAL LIQUOR FUND		\$86,541.33
		<u>\$130,240.07</u>

Pre-Written Checks	\$14,150.00
Checks to be Generated by the Computer	\$0.00
Total	<u>\$14,150.00</u>



CITY OF GRAND MARAIS

11/07/19 11:47 AM

Page 1

Payments

City of Grand Marais

Current Period: November 2019

Batch Name	11-14-19 AP	User Dollar Amt	\$166,062.95
Payments		Computer Dollar Amt	\$166,062.95
			\$0.00 In Balance

Refer	<u>78499 PUBLIC UTILITIES COMMISSION1</u>	<u>Ck# 004742E 11/1/2019</u>		
Cash Payment	E 602-49451-380 Utility Services (GENER			\$1,370.56
Invoice	NOV BILLING	11/1/2019		
Cash Payment	E 602-49480-380 Utility Services (GENER			\$5,180.42
Invoice	NOV BILLING	11/1/2019		
Cash Payment	E 601-49420-380 Utility Services (GENER			\$1,718.96
Invoice	NOV BILLING	11/1/2019		
Cash Payment	E 604-49551-380 Utility Services (GENER			\$32.72
Invoice	NOV BILLING	11/1/2019		
Transaction Date	10/28/2019	MAIN CHECKING G	10100	Total \$8,302.66
Refer	<u>78523 EATON</u>			
Cash Payment	E 604-49570-227 Utility Maint Supplies			\$24,429.89
Invoice	938037151	10/24/2019		
Transaction Date	11/7/2019	MAIN CHECKING G	10100	Total \$24,429.89
Refer	<u>78525 GRAND MARAIS AUTO PARTS, INC</u>			
Cash Payment	E 604-49570-210 Operating Supplies (GEN			\$171.33
Invoice	2088	10/23/2019		
Transaction Date	11/7/2019	MAIN CHECKING G	10100	Total \$171.33
Refer	<u>78528 FERGUSON WATERWORKS#2518</u>			
Cash Payment	E 601-49430-210 Operating Supplies (GEN			\$271.35
Invoice	0345638	10/15/2019		
Cash Payment	E 601-49430-220 Repair/Maint Supply (GE			\$429.00
Invoice	0345956	10/16/2019		
Cash Payment	E 601-49430-220 Repair/Maint Supply (GE			\$168.75
Invoice	0345883	10/18/2019		
Cash Payment	E 601-49430-220 Repair/Maint Supply (GE			-\$520.96
Invoice	CM032053	10/31/2019		
Transaction Date	11/7/2019	MAIN CHECKING G	10100	Total \$348.14
Refer	<u>78529 HAWKINS, INC.</u>			
Cash Payment	E 602-49480-218 Operating Supplies- Che			\$1,962.60
Invoice	4602098	10/21/2019		
Transaction Date	11/7/2019	MAIN CHECKING G	10100	Total \$1,962.60
Refer	<u>78530 EDWIN E. THORESON, INC.</u>			
Cash Payment	E 601-49430-317 Contracted Services			\$2,827.50
Invoice	27212	10/15/2019		
Cash Payment	E 601-49430-317 Contracted Services			\$193.00
Invoice	27282	10/30/2019		
Cash Payment	E 604-49570-317 Contracted Services			\$1,160.00
Invoice	27308	10/31/2019		
Transaction Date	11/7/2019	MAIN CHECKING G	10100	Total \$4,180.50
Refer	<u>78531 ANCHOR SCIENTIFIC, INC.</u>			
Cash Payment	E 602-49451-220 Repair/Maint Supply (GE			\$165.82
Invoice	243221	10/24/2019		



CITY OF GRAND MARAIS

11/07/19 11:47 AM

Page 2

Payments

City of Grand Marais

Current Period: November 2019

Transaction Date	11/7/2019	MAIN CHECKING G 10100	Total	\$165.82
Refer	78532 WATER CONSERVATION SERVICE	-		
Cash Payment	E 601-49430-317 Contracted Services			\$1,638.84
Invoice	9909 10/29/2019			
Transaction Date	11/7/2019	MAIN CHECKING G 10100	Total	\$1,638.84
Refer	78533 NELSON, TOM	-		
Cash Payment	E 602-49451-240 Small Tools and Minor E			\$94.95
Invoice	BOOTS 10/29/2019			
Transaction Date	11/7/2019	MAIN CHECKING G 10100	Total	\$94.95
Refer	78534 STUART C IRBY CO	-		
Cash Payment	E 604-49551-213 Lubricants and Additives			\$2,265.38
Invoice	S011616264.001 10/26/2019			
Cash Payment	E 604-49570-210 Operating Supplies (GEN			\$172.64
Invoice	S011616264.002 11/5/2019			
Transaction Date	11/7/2019	MAIN CHECKING G 10100	Total	\$2,438.02
Refer	78535 ARROWHEAD COOPERATIVE	Ck# 004760E 11/20/2019		
Cash Payment	E 602-49490-321 Telephone			\$127.47
Invoice	2121 11/1/2019			
Cash Payment	E 604-49590-321 Telephone			\$188.49
Invoice	2244 11/1/2019			
Transaction Date	11/7/2019	MAIN CHECKING G 10100	Total	\$315.96
Refer	78537 G&G SEPTIC	-		
Cash Payment	E 602-49480-317 Contracted Services			\$15,925.00
Invoice	19361 10/31/2019			
Cash Payment	E 602-49480-317 Contracted Services			\$4,550.00
Invoice	19435 11/5/2019			
Transaction Date	11/7/2019	MAIN CHECKING G 10100	Total	\$20,475.00
Refer	78542 GOPHER STATE ONE CALL	-		
Cash Payment	E 604-49570-317 Contracted Services			\$48.60
Invoice	9100985 10/31/2019			
Transaction Date	11/7/2019	MAIN CHECKING G 10100	Total	\$48.60
Refer	78543 PSN	Ck# 004761E 11/3/2019		
Cash Payment	E 604-49590-432 Credit Card Charges			\$326.95
Invoice	205349 11/3/2019			
Cash Payment	E 601-49440-432 Credit Card Charges			\$91.96
Invoice	205349 11/3/2019			
Cash Payment	E 602-49490-432 Credit Card Charges			\$91.96
Invoice	205349 11/3/2019			
Transaction Date	11/7/2019	MAIN CHECKING G 10100	Total	\$510.87
Refer	78544 LEAGUE OF MN CITIES - W/C	-		
Cash Payment	E 601-49440-151 Worker s Comp Insuranc			\$554.56
Invoice	40001180 11/4/2019			
Cash Payment	E 604-49590-151 Worker s Comp Insuranc			-\$938.17
Invoice	40001180 11/4/2019			
Cash Payment	E 602-49490-151 Worker s Comp Insuranc			\$612.08
Invoice	40001180 11/4/2019			



CITY OF GRAND MARAIS

11/07/19 11:47 AM

Page 3

Payments

City of Grand Marais

Current Period: November 2019

Cash Payment	E 604-49590-151 Worker s Comp Insuranc				\$105.44
Invoice	40001180	11/4/2019			
Cash Payment	E 601-49440-151 Worker s Comp Insuranc				\$29.66
Invoice	40001180	11/4/2019			
Cash Payment	E 602-49490-151 Worker s Comp Insuranc				\$29.66
Invoice	40001180	11/4/2019			
Transaction Date	11/7/2019	MAIN CHECKING G	10100	Total	\$393.23
Refer	78546 VISA				
					Ck# 004762E 11/5/2019
Cash Payment	E 601-49440-230 State Fees				\$102.50
Invoice	0224	11/2/2019			
Transaction Date	11/7/2019	MAIN CHECKING G	10100	Total	\$102.50
Refer	78547 INTEGRITY CONTRACTING INC				
Cash Payment	E 604-49570-522 Capital Outlay (Construct SISTERS PLACE				\$17,250.00
Invoice	1391	10/18/2019			
Cash Payment	E 604-49570-522 Capital Outlay (Construct LIBRARY				\$1,600.00
Invoice	1392	10/18/2019			
Cash Payment	E 604-49570-522 Capital Outlay (Construct GUNFLINT TRAIL				\$12,280.00
Invoice	1393	10/18/2019			
Cash Payment	E 604-49570-522 Capital Outlay (Construct 4TH AVE W				\$16,864.00
Invoice	1394	10/18/2019			
Transaction Date	11/7/2019	MAIN CHECKING G	10100	Total	\$47,994.00
Refer	78549 TEAM LABORATORY CHEMICAL C				
Cash Payment	E 601-49430-382 Fire Hydrant Utilities				\$420.00
Invoice	INV0018403	10/30/2019			
Transaction Date	11/7/2019	MAIN CHECKING G	10100	Total	\$420.00
Refer	78550 UTILITY CONSULTANTS, INC				
Cash Payment	E 602-49480-300 Professional Srvs (GENE				\$697.12
Invoice	103133	10/30/2019			
Transaction Date	11/7/2019	MAIN CHECKING G	10100	Total	\$697.12

Fund Summary

	10100 MAIN CHECKING GMSB	
101 GENERAL FUND		\$40,762.74
211 LIBRARY		\$2,606.47
215 LIBRARY RESTRICTED FUND		\$3,732.53
601 WATER		\$7,925.12
602 SEWER		\$30,807.64
604 ELECTRIC		\$75,957.27
609 MUNICIPAL LIQUOR FUND		\$4,271.18
		<u>\$166,062.95</u>

Pre-Written Checks	\$9,231.99
Checks to be Generated by the Computer	\$105,458.04
Total	\$114,690.03



CITY OF GRAND MARAIS

11/21/19 3:22 PM

Page 1

Payments

City of Grand Marais

Current Period: November 2019

Batch Name	11-22-19 APP	User Dollar Amt	\$92,957.96	
	Payments	Computer Dollar Amt	\$92,957.96	
				\$0.00 In Balance
Refer	78575 FURTHER	Ck#	004764E	11/20/2019
Cash Payment	E 604-49570-131 Employer Paid Health	mb		\$824.54
Invoice	39229286	11/19/2019		
Transaction Date	11/20/2019	MAIN CHECKING G	10100	Total \$824.54

Fund Summary

	10100 MAIN CHECKING GMSB	
101 GENERAL FUND		\$41,995.57
604 ELECTRIC		\$824.54
609 MUNICIPAL LIQUOR FUND		\$50,137.85
		<u>\$92,957.96</u>

Pre-Written Checks	\$824.54
Checks to be Generated by the Computer	\$0.00
Total	<u>\$824.54</u>

City of Grand Marais

MEMO

TO: Public Utilities Commissioners
FROM: Michael J. Roth, City Administrator
DATE: November 26, 2019
SUBJECT: Additional Resources for CAP Implementation

Summary

At your last meeting, you requested staff prepare plans to add resources for implementation of the Climate Action Plan. Below are options for the Commission to discuss.

History

The City worked with Shane Steele as a contractor in 2018-19. His 400 hours of work were supported by a grant from the McKnight Foundation, and resulted in the adoption of the Climate Action Plan in June. We are currently out of hours for Shane's position, and awaiting the results of a new grant application to fund the next two years.

Baseline

The current plan for implementation is for a half time contract position supported by a grant from McKnight to coordinate implementation efforts. This funding should be in place by January. Shane will work with City staff, focusing on the energy benchmarking, LED retrofit, and EV program elements of the CAP.

Low-Risk Short-Term Additions

These options focus on preserving organizational flexibility, allowing our strategy to continue to evolve. Decisions are temporary in design, quick to implement, and easier to change.

1. Increase CAP Coordinator Contract Hours. The Electric Utility would increase funding to the CAP coordinator contract to double the hours from 20 to 40 per week. (~\$25,000/year)
2. City Administrator Shift in Duties. The Electric Utility will provide more resources to the General Fund, which the City will use to add Planning and

Zoning contract support, freeing up additional time for the City Administrator to provide Utility Coordinator duties, including CAP implementation, particularly working with SMMPA. (~\$30,000/year)

3. Faster AMI Implementation. Some CAP strategies rely on our AMI system to be fully implemented. Also, full implementation frees up significant resources of our utility staff currently used for meter reading and billing. Up to a week of time per month is freed up from the City Secretary after AMI implementation, allowing more administrative effort towards CAP implementation. The Electric Utility will fund contract project management effort to assist with AMI water meter installation. (~\$15,000)

Complex Long Term Additions

These options are a larger long-term commitment to a direction and are generally more complex to begin and difficult to modify.

1. Add Full-Time CAP Coordinator. The City would convert the contract CAP Coordinator position to full-time permanent staff position. Electric Fund would cover non-grant supported expenses, including benefits package. Would require creation and scoring of a new position. Would require office space in City Hall. (~\$60,000/year)
2. Fill Electric Superintendent Position. The PUC would hire an Electric Superintendent with the ability to work as a line worker and focus on CAP implementation strategies. Position already exists, but it will be difficult to find candidates with the right mix of skills for the locally supported wages. (~\$100,000/year)

Memo: Possible 2020 PUC Solar Project

As you know, I have been working with Marty Morud, President of TruNorth Solar on a possible solar PV project that would be installed as a ground mount system on the grounds of the public works building property. TruNorth installed several PV systems in the County last summer and has earned a favorable reputation amongst those who received those systems. When I asked Marty about pricing for a possible PUC owned system he brought up the idea of a lease-back arrangement where his affiliated corporation would build and own the system and sell the power to PUC through a Power Purchase Agreement (PPA) thus eliminating the need for PUC to supply a large upfront capital outlay.

Two factors contribute towards making this project financially feasible: One, TruNorth's affiliated corporation would be able to capture the Federal 30% tax credit (which PUC was unable to do on our first PV project) and pass some of those savings on to PUC; and two, TruNorth hopes to do additional private and commercial solar PV projects in the area over the next 3 years which would result in an increased ability to offer favorable pricing for the PUC PV project.

In regards to the second factor, Marty has structured the draft PPA so that during the first three years of the PPA the rates are on a sliding scale depending on how many kW of additional solar projects TruNorth is able to accomplish in the neighborhood. One could consider those kW's as a "match" of sorts. As you can see from the tables, the larger the "match" of local kW's the lower the rate that PUC would have to pay during the first three years of the twenty year contract. After those first three years the PPA rate actually mirrors the PPA rate that SMMPA would pay us, so for those 17 years the solar project would cost PUC nothing in energy costs.

PUC would also be responsible for initial site prep, and connection work — something that is on the list to be better quantified.

Last year TruNorth installed 30-40 kW's in Cook County. No one knows for sure how many kW's they will install in the next few years but they are certainly well positioned, and I think it would be reasonable to assume that the match would be sufficient to get us into the area where the total cost to the PUC during the first three years would be manageable.

You will also note that in its current form the LOI displays a range of system sizes. I think the system size will probably be dictated mostly by how large an area PUC staff determine could be used for a PV array without compromising other PUC needs for that space.

I believe this proposal to be worthy of continued consideration. It is essentially a low cost, low risk, way to create a relatively large renewable energy project in Cook County that otherwise wouldn't be built. It is a small % of PUC's total energy needs to be sure, but I think it is still worth pursuing in that it does make a small contribution towards investing in distributed solar power which strengthens that industry and makes it more likely that prices will come down and innovations will be attained that may make distributed solar power a viable source of power, at scale, in the future. And that is especially relevant to Grand Marais given that distributed generation if ever developed to be feasible at scale would offer significant economic benefit to rural small towns. Additional benefits of distributed solar (if ever to scale) would be increased grid reliability, resilience, possible self-reliance, and democratization of financial and political power. Worth pushing on this lever in moderation I think.

One aspect of this proposal that is not ideal is the timeline. It is highly probable that the 30% tax credit will expire at the end of December. There are ways to qualify the project before actually

building it and we are looking into what that would take. We are hopeful that a LOI similar to the Draft attached signed by both parties might be sufficient to “safe harbor” the tax credit, with the PPAs to be finalized and system installed in 2020.

In order to meet the December 31st deadline several things have to happen:

- 1) PUC needs to discuss and consider proposal at December 4th meeting, generating questions and concerns to be answered and addressed before final approval of LOI later in December (see #4 below)
- 2) Mike and staff would need to work with Marty to determine system size and estimate of site prep and connection costs.
- 3) PUC initiates PPA negotiations with SMMPA (including request for required kW at favorable solar buy back program rate). This would have to happen at the SMMPA Board meeting on December 11.
- 4) TruNorth would answer questions, address concerns and generate a final LOI that would be presented for approval and signing at a special PUC meeting sometime in late December.

That is all,

George

LETTER OF INTENT

DATE: November 25th 2019

TO: Grand Marais Public Utilities (GMPU)
PO BOX 600
Grand Marais, MN 55604-0600

FROM: Martin Morud/ TruNorth Shore Solar 1, LLC (TNSS 1, LLC)

RE: **Solar PV Financing Opportunity**

Dear Grand Marais Public Utilities,

TNSS 1, LLC is pleased to present this proposal and **Letter of Intent** upon which it would evaluate, design, install and finance a solar PV system ("Project") on Parcel# 80-020-3345 for *Grand Marais Public Utilities* ("Customer").

Project Description:

In making this proposal, **TNSS 1, LLC** is relying upon the following information regarding the Project:

- (a) Solar PV System Size (GMPU Array Size): 200 - 400kW DC (STC)
- (b) The Project will be financed through the execution of a 20-year Power Purchase Agreement ("PPA") with Grand Marais Public Utilities. The PPA rate for the first three years of energy delivered to GMPU will be fixed to the table below. Starting Year 4, the PPA rate will be \$0.08547/kWh escalating 2.5% each year. As additional solar PV capacity ("Local kW DC") is installed by TruNorth Solar, LLC in Cook County Minnesota, GMPU will be entitled to reconciling credits equal to the added capacity milestone rate multiplied by the production for that year. The period to add additional "Local kW DC" is between the signing date of this LOI and within 36 months post project commissioning.

(c)

GMPU Array Size (kW DC):	200-249	250 - 324	325-400
Local kW DC	PPA Rate (\$/kWh)		
0 - 49.999	\$ 0.2000	\$ 0.1835	\$ 0.1670
50 - 99.999	\$ 0.1650	\$ 0.1575	\$ 0.1500
100 - 149.999	\$ 0.1300	\$ 0.1310	\$ 0.1320
150 - 199.999	\$ 0.0940	\$ 0.1045	\$ 0.1150
200+	\$ 0.0800	\$ 0.0885	\$ 0.0970

- (d) Parcel# 80-020-3345 is owned by the City of Grand Marais. The City of Grand Marais / Grand Marais Public Utilities will prepare the site (Parcel# 80-020-3345) to industry standards for a ground mount solar installation including but not limited to removing all existing asphalt and all underground utilities prior to installation start at the sole cost of The City of Grand Marais / Grand Marais Public Utilities.
- (e) *Customer* agrees to enter into various agreements with TNSS 1, LLC to effectuate the transaction subject to *Customer's* review and agreement.
- (f) TNSS 1, LLC shall be responsible for all requirements related to the financing and installation of the PV system (except site preparation as noted above).
- (g) *Customer* agrees to work cooperatively with TNSS 1, LLC and provide any information within a reasonable time frame.
- (h) *Customer* agrees to a credit check for verification and protection of TNSS 1, LLC.
- (i) *Customer* agrees to monitoring of the systems output for verification of energy provided.

Insurance:

Customer shall be required to obtain and maintain insurance for the term of the "PPA"

The Parties agree to exclusively work together until an agreement is signed or until such time as *Customer* and/or TNSS 1, LLC has decided not to continue with the Project. The Parties acknowledge that there will be no legally binding or enforceable rights between the parties regarding the Project unless and until TNSS 1, LLC has completed its due diligence review of the Project to its satisfaction and all transaction documents have been fully executed by authorized officers of all necessary parties.

If the general terms and conditions outlined in this letter are acceptable, please indicate your acceptance below.

Agreed & Accepted

Contact/Title: _____

Signature: _____

Date: _____

200kW ARRAY

Local kW DC	200kW ARRAY				
	0 - 49.999	50 - 99.999	100 - 149.999	150 - 199.999	200+
Year 1	\$ 0.20000	\$ 0.1650	\$ 0.1300	\$ 0.0940	\$ 0.0800
Year 2	\$ 0.20000	\$ 0.1650	\$ 0.1300	\$ 0.0940	\$ 0.0800
Year 3	\$ 0.20000	\$ 0.1650	\$ 0.1300	\$ 0.0940	\$ 0.0800
Year 4	\$ 0.08547	\$ 0.08547	\$ 0.08547	\$ 0.08547	\$ 0.08547
Year 5	\$ 0.08760	\$ 0.08760	\$ 0.08760	\$ 0.08760	\$ 0.08760
Year 6	\$ 0.08979	\$ 0.08979	\$ 0.08979	\$ 0.08979	\$ 0.08979
Year 7	\$ 0.09204	\$ 0.09204	\$ 0.09204	\$ 0.09204	\$ 0.09204
Year 8	\$ 0.09434	\$ 0.09434	\$ 0.09434	\$ 0.09434	\$ 0.09434
Year 9	\$ 0.09670	\$ 0.09670	\$ 0.09670	\$ 0.09670	\$ 0.09670
Year 10	\$ 0.09911	\$ 0.09911	\$ 0.09911	\$ 0.09911	\$ 0.09911
Year 11	\$ 0.10159	\$ 0.10159	\$ 0.10159	\$ 0.10159	\$ 0.10159
Year 12	\$ 0.10413	\$ 0.10413	\$ 0.10413	\$ 0.10413	\$ 0.10413
Year 13	\$ 0.10674	\$ 0.10674	\$ 0.10674	\$ 0.10674	\$ 0.10674
Year 14	\$ 0.10940	\$ 0.10940	\$ 0.10940	\$ 0.10940	\$ 0.10940
Year 15	\$ 0.11214	\$ 0.11214	\$ 0.11214	\$ 0.11214	\$ 0.11214
Year 16	\$ 0.11494	\$ 0.11494	\$ 0.11494	\$ 0.11494	\$ 0.11494
Year 17	\$ 0.11494	\$ 0.11494	\$ 0.11494	\$ 0.11494	\$ 0.11494
Year 18	\$ 0.11494	\$ 0.11494	\$ 0.11494	\$ 0.11494	\$ 0.11494
Year 19	\$ 0.11494	\$ 0.11494	\$ 0.11494	\$ 0.11494	\$ 0.11494
Year 20	\$ 0.11494	\$ 0.11494	\$ 0.11494	\$ 0.11494	\$ 0.11494

Local kW DC					
	0 - 49.999	50 - 99.999	100 - 149.999	150 - 199.999	200+
Year 1	\$ 0.1835	\$ 0.1575	\$ 0.1310	\$ 0.1045	\$ 0.0885
Year 2	\$ 0.1835	\$ 0.1575	\$ 0.1310	\$ 0.1045	\$ 0.0885
Year 3	\$ 0.1835	\$ 0.1575	\$ 0.1310	\$ 0.1045	\$ 0.0885
Year 4	\$ 0.08547	\$ 0.08547	\$ 0.08547	\$ 0.08547	\$ 0.08547
Year 5	\$ 0.08760	\$ 0.08760	\$ 0.08760	\$ 0.08760	\$ 0.08760
Year 6	\$ 0.08979	\$ 0.08979	\$ 0.08979	\$ 0.08979	\$ 0.08979
Year 7	\$ 0.09204	\$ 0.09204	\$ 0.09204	\$ 0.09204	\$ 0.09204
Year 8	\$ 0.09434	\$ 0.09434	\$ 0.09434	\$ 0.09434	\$ 0.09434
Year 9	\$ 0.09670	\$ 0.09670	\$ 0.09670	\$ 0.09670	\$ 0.09670
Year 10	\$ 0.09911	\$ 0.09911	\$ 0.09911	\$ 0.09911	\$ 0.09911
Year 11	\$ 0.10159	\$ 0.10159	\$ 0.10159	\$ 0.10159	\$ 0.10159
Year 12	\$ 0.10413	\$ 0.10413	\$ 0.10413	\$ 0.10413	\$ 0.10413
Year 13	\$ 0.10674	\$ 0.10674	\$ 0.10674	\$ 0.10674	\$ 0.10674
Year 14	\$ 0.10940	\$ 0.10940	\$ 0.10940	\$ 0.10940	\$ 0.10940
Year 15	\$ 0.11214	\$ 0.11214	\$ 0.11214	\$ 0.11214	\$ 0.11214
Year 16	\$ 0.11494	\$ 0.11494	\$ 0.11494	\$ 0.11494	\$ 0.11494
Year 17	\$ 0.11494	\$ 0.11494	\$ 0.11494	\$ 0.11494	\$ 0.11494
Year 18	\$ 0.11494	\$ 0.11494	\$ 0.11494	\$ 0.11494	\$ 0.11494
Year 19	\$ 0.11494	\$ 0.11494	\$ 0.11494	\$ 0.11494	\$ 0.11494
Year 20	\$ 0.11494	\$ 0.11494	\$ 0.11494	\$ 0.11494	\$ 0.11494

400kW ARRAY

Local kW DC	400kW ARRAY				
	0 - 49.999	50 - 99.999	100 - 149.999	150 - 199.999	200+
Year 1	\$ 0.1670	\$ 0.1500	\$ 0.1320	\$ 0.1150	\$ 0.0970
Year 2	\$ 0.1670	\$ 0.1500	\$ 0.1320	\$ 0.1150	\$ 0.0970
Year 3	\$ 0.1670	\$ 0.1500	\$ 0.1320	\$ 0.1150	\$ 0.0970
Year 4	\$ 0.08547	\$ 0.08547	\$ 0.08547	\$ 0.08547	\$ 0.08547
Year 5	\$ 0.08760	\$ 0.08760	\$ 0.08760	\$ 0.08760	\$ 0.08760
Year 6	\$ 0.08979	\$ 0.08979	\$ 0.08979	\$ 0.08979	\$ 0.08979
Year 7	\$ 0.09204	\$ 0.09204	\$ 0.09204	\$ 0.09204	\$ 0.09204
Year 8	\$ 0.09434	\$ 0.09434	\$ 0.09434	\$ 0.09434	\$ 0.09434
Year 9	\$ 0.09670	\$ 0.09670	\$ 0.09670	\$ 0.09670	\$ 0.09670
Year 10	\$ 0.09911	\$ 0.09911	\$ 0.09911	\$ 0.09911	\$ 0.09911
Year 11	\$ 0.10159	\$ 0.10159	\$ 0.10159	\$ 0.10159	\$ 0.10159
Year 12	\$ 0.10413	\$ 0.10413	\$ 0.10413	\$ 0.10413	\$ 0.10413
Year 13	\$ 0.10674	\$ 0.10674	\$ 0.10674	\$ 0.10674	\$ 0.10674
Year 14	\$ 0.10940	\$ 0.10940	\$ 0.10940	\$ 0.10940	\$ 0.10940
Year 15	\$ 0.11214	\$ 0.11214	\$ 0.11214	\$ 0.11214	\$ 0.11214
Year 16	\$ 0.11494	\$ 0.11494	\$ 0.11494	\$ 0.11494	\$ 0.11494
Year 17	\$ 0.11494	\$ 0.11494	\$ 0.11494	\$ 0.11494	\$ 0.11494
Year 18	\$ 0.11494	\$ 0.11494	\$ 0.11494	\$ 0.11494	\$ 0.11494
Year 19	\$ 0.11494	\$ 0.11494	\$ 0.11494	\$ 0.11494	\$ 0.11494
Year 20	\$ 0.11494	\$ 0.11494	\$ 0.11494	\$ 0.11494	\$ 0.11494

Proposed 2020 Rate Adjustments

Electric: No Change

Water: No Change

Sewer: 2% Increase

ESR Activity
Nancy Kelly – November 14, 2019

All Cities

- Posters and signage have been reviewed in most offices. There are outdated posters in many offices such as the Energy Star “most efficient” poster which says 2016. More work will be done after the first of the year to determine new materials for offices.
- In early 2020, I will be delivering 3-way bulbs for offices to hand out to customers.
- Be Bright retailers have been visited in most cities. So far, all retailers have said they would participate again next year. Thanks for all your help promoting the program.
- Posters and coupons for the Holiday light campaign have been distributed to most offices and local retailers. Grand Marais will get them next week.
- Have visited most stores selling Energy Star Appliances. Many are open to using the “We Sell Energy Star” sign and using chip clips with laminated rebate sheet highlighting rebates. Appliance recycling options have also been discussed with retailers.
- I attended the ACEEE Energy Efficiency as a Resource conference in Minneapolis on Oct 16 – 17 and the ASHRAE/AEE Energy Expo in Minneapolis on Sept 23

Grand Marais

Next visit scheduled for Nov 18th – 20th

New rebates and significant activities include:

- Will be meeting with Public Utility Commissioner Ann Possis on Tuesday Nov 19th. She is interested in talking about simple residential energy efficiency educational efforts that be supported by SMMPA.
- Low Income Residential – will be meeting with Shane Steele (Climate Action Plan), Colby Abazs (CERTS), and Matthew Engesser (Cook County Local Energy Project) to discuss the low-income lighting project and how to work with local partners to improve program. Potential partners include the AEOA and Ruby’s Pantry.
- Fire Hall – Obtained quotes for retrofitting 8-foot T12 light fixtures to LED.
- 1-Roof Housing – will meet with Housing Development Coordinator in Duluth on Nov 18th. Discussion to focus on understanding the efficiency components of housing program and look at 2020 projects to ensure rebates opportunities are maximized.
- City – Reviewed dark sky criteria for street lighting. Will look for information specific to this issue at future lighting conference I will attend in 2020 or other resources.
- Based on a review of local news it appears the following businesses are doing renovations or expansions. The Art Colony project is expected to start over the winter of 2019/20. The Grand Marais Food Co-op is looking at lighting upgrades. The Grand Marais Liquor Store is looking to expand which could affect City Hall. That work could include lighting and reach-in/walk-in cooler measures.
- Questline – added 1 new contact for Questline emails.

Electric Utility Goal

As of this report Grand Marais is at 224% of goal.

11/27/19

Memo to Grand Marais PUC

2020 Electric Rate

Given the City Council's and the PUC's stated concerns about the climate change crisis, I am uncomfortable with maintaining our 2020 electric rates at 2019 levels.

Leaving rates unchanged for 2020 signals that we believe everything is fine and that we are fulfilling our mission of providing safe, reliable, affordable, and environmentally responsible electrical power. But in reality I think we all know that we are not. There is work to be done in fighting climate change, action to be taken, and action requires financial resources. That's why I am suggesting a modest increase of 2% for our 2020 electric rate.

George Wilkes