

Proposed

City of Minneapolis & Xcel Energy

Clean Energy Partnership

Memorandum of Understanding

Memorandum of Understanding Clean Energy Partnership

This Memorandum of Understanding (the “Memorandum”), effective as of April 17, 2025, sets forth certain understandings and agreements among the City of Minneapolis (the “City”), and Northern States Power Company d/b/a Xcel Energy, (“Xcel Energy”), each duly organized and existing under the laws of the State of Minnesota (each a “Party” and collectively the “Parties”) concerning cooperation and achievement of the City’s energy goals through a collaborative effort including CenterPoint Energy (“CenterPoint Energy”) (the “Clean Energy Partnership”).

RECITALS

WHEREAS, in 2014, the City, Xcel Energy, and CenterPoint Energy executed Memoranda of Understanding establishing the Clean Energy Partnership; and

WHEREAS, the purpose of the Clean Energy Partnership is to collaborate to make progress toward the City’s Climate goals; and

WHEREAS, on July 20, 2023, the City replaced its previously approved 2013 Climate Action Plan and adopted its current Climate Equity Plan (“the Plan”), which seeks to reduce community-wide greenhouse gas emissions by forty-five percent (45%) by 2025, seventy-five percent (75%) by 2030, ninety-two percent by 2035, ninety-seven percent (97%) by 2040, ninety-nine percent by 2045, and achieve carbon-neutrality by 2050, all from a 2006 baseline; and

WHEREAS, the Plan also seeks to source one-hundred percent (100%) of its community-wide electrical needs from renewable sources by 2030; and

WHEREAS, the Plan also seeks to achieve carbon-neutrality for all municipal operations by 2040; and

WHEREAS, the Plan further provides for significant energy efficiency improvements in the residential, commercial, and public sectors; for advancing equity in infrastructure and environmental benefits; and for assessing and building the resiliency of energy infrastructure in the City; and

WHEREAS, the current Clean Energy Partnership Memorandum of Understanding between Xcel Energy and the City expires at the end of the current franchise agreement; and

WHEREAS, the City continues to grant Xcel Energy a franchise “to construct, install, enlarge, operate, repair and maintain in, on, over, under and across the streets, alleys and public grounds of the City, an electric distribution system and electric transmission lines for the purpose of transmitting electricity into, from and through the City”; and

WHEREAS, Xcel Energy has publicly announced its commitment to sustainability in its annual Sustainability Report, and plays an important role in the City's achievement of its energy goals;

WHEREAS, Xcel Energy has committed to cooperate in good faith with the City in support of the City's efforts to achieve the City's energy goals; and

WHEREAS, the Parties desire to set forth the terms and conditions of their collaborative efforts;

NOW, THEREFORE, in consideration of the mutual obligations of the Parties hereto, which the Parties acknowledge constitutes adequate and sufficient consideration, each party does hereby covenant and agree that the following provisions constitute the legally binding and enforceable agreement of the Parties.

1. Orderly Planning. The intent of this Memorandum is to facilitate the Parties' pursuit of the City's equity, climate, and energy goals. Pursuant to the terms of this Memorandum, the Parties intend jointly and cooperatively to study, prioritize, plan, coordinate, implement as reasonably possible and permitted, market, track, and report progress on clean energy activities in the City in support of the City's Plan (the "Work"). The Parties shall determine the tasks necessary to achieve these goals, direct the execution of tasks, and report the results of these tasks. The Parties shall harness available resources to advance the City's energy goals and shall consider and prioritize the listing of goals.

2. Leadership. As a means to facilitate timely and orderly performance of the Work, there is hereby established a "Board" consisting of officials appointed by each Party as well as CenterPoint Energy. The Xcel Energy president shall designate two senior officials, with the authority to bind the company to serve on the Board. The City shall designate the Mayor, who shall chair the meetings, two City Council Members, and the City Operations Officer to serve on the Board. Xcel Energy and CenterPoint Energy shall have an equal number of appointees. The number of appointees by the City shall equal the total number of appointees by Xcel Energy and CenterPoint Energy. Although each member of the Board serves at the pleasure of the appointing Party, the Parties acknowledge and agree upon the need to preserve continuity in the membership of the Board and to avoid disruption of the Work. At the first meeting of the Board and every two years thereafter, the members shall determine who shall be vice-chair for that term.

3. Deliverables. The Board shall determine the Work to be performed within a set timeframe, typically on a biennial basis (the "Work Plan"). The Work Plan for each time period shall detail the deliverables to be presented. The Parties will use their best efforts to achieve such deliverables. The Board will prepare a report on the Work performed and the results achieved on an annual basis. In prioritizing the Work to be performed in a specific Work Plan, the Board will consider the goals of the City's Climate Equity Plan and Exhibit A, which contains a non-exhaustive list of goals Xcel Energy agrees to make good faith efforts towards achieving.

4. Meetings; Staffing. The Board shall meet at least quarterly. The Parties each commit to provide staff and resources appropriate to complete the Work.

5. Advisors. The Board shall arrange opportunities for advocates and advisors, including representatives from critical communities within the City, such as business, neighborhoods, environmental justice, technical, and City staff, to provide information and materials to the Board. In order to facilitate the transmittal of such information to the Board, the Board shall appoint members representing these critical communities to a standing advisory committee which shall be charged with reviewing and providing feedback on the biennial work plan and measurement and performance reports; researching special initiatives as requested by the Board; and, providing outreach and promotion of Board initiatives as directed by the Board. Ad hoc advisory committees may be established by the Board at its discretion.

6. Authority; Cooperation. The Parties acknowledge and agree that each Party has the requisite power and authority to execute and carry out the terms and provisions of this Memorandum. To the Parties' knowledge, except for the City Council of the City of Minneapolis, no consent, authorization or approval by any governmental or public body or authority is required in connection with the execution and performance by each of the Parties of this Memorandum. The Parties recognize that future action taken by Xcel Energy to support the City's energy goals may be subject to state regulatory utility requirements in Minn. Stat. Chapters 216B, 216C and other applicable laws and regulations. If the Parties agree on certain actions in support of the City's energy goals that require state regulatory approval, they agree to cooperatively work together to seek necessary approvals or regulatory changes to facilitate such regulatory approvals.

7. Termination. This Memorandum shall automatically terminate upon termination or expiration of the current City franchise with Xcel Energy. This Memorandum may be terminated by either Party upon sixty days written notice to the other Parties.

8. Ordinances. Nothing in this Memorandum constitutes a waiver of the City ordinances or the City's regulatory jurisdiction or the State's utility regulatory jurisdiction.

9. Binding Obligation. This Memorandum will inure to the benefit of the Parties hereto and shall be binding on them and their respective legal representatives, successors, and assigns. Provided, however, no Party hereto may assign any of its rights herein to any person without the prior written consent of the other Parties which shall not be unreasonably withheld.

10. Entire Memorandum. This Memorandum constitutes the entire agreement between the Parties and supersedes all prior oral or written agreements, understandings, representations, and warranties relating to the subject matter of this Memorandum. All exhibits, attachments, and recitals referred to in this Memorandum are incorporated and deemed to be part of this Memorandum. Any changes or waivers of provisions of this Memorandum shall only be valid when they have been reduced to

writing and signed by the Parties as an amendment to this Memorandum. Headings are provided for convenience and are not a part of this Memorandum.

11. Governing Law. This Memorandum will be governed by and construed in accordance with the laws of the State of Minnesota (exclusive of conflicts of law principles). Nothing in this Memorandum limits or waives the rights or limits provided to the City as a municipality under Minnesota Statutes Chapter 466. Nothing in this Memorandum limits or waives the rights or limits provided to Xcel Energy as a utility under Minn. Stat. Chapter 216B, 216C and other applicable laws and regulations.

12. No Presumption Against Drafter. This Memorandum has been negotiated at arm's length and between Parties sophisticated and knowledgeable in the matters dealt with herein. In addition, each Party has been represented by experienced and knowledgeable legal counsel. Accordingly, this Memorandum shall be interpreted to achieve the intents and purposes of the Parties, without any presumption against a Party responsible for drafting any part of this Memorandum.

13. No Joint Venture or Partnership. It is agreed that nothing in this Memorandum shall be deemed or construed as creating a joint venture, trust, partnership, or any similar legal relationship among the Parties. Each Party shall be responsible for its own obligations under this Memorandum.

14. For the Benefit of Parties Only. This Memorandum is for the benefit of the signing Parties only. There are no third party rights created by this Memorandum and there are no third party beneficiaries entitled to the benefits of this Memorandum.

15. Notice. Any notice permitted or required by this Memorandum shall be made in writing and personally served or mailed (postage prepaid, return receipt requested) and shall be effective upon the date of personal service, or if by mail, upon the date of receipt. The address for notice to each Party is as follows (as may be later changed by a Party by proper notice):

If to the City: Minneapolis Health Department
Attn: Sustainability Division
Public Service Building
505 Fourth Ave S., Room 520
Minneapolis, MN 55415

If to Xcel Energy: Xcel Energy
Attn: RVP, Community Relations and Foundation
401 Nicollet Mall
Minneapolis MN 55401

16. Current Regulatory Framework: Program costs and customer incentives offered by Xcel Energy to its customers in Minneapolis which extend beyond the scope of programs offered to all Xcel Energy customers as approved by the MPUC and/or DOC, shall be the responsibility of Minneapolis. The Parties recognize that the programs

and incentives approved by the MPUC and/or DOC may include pilot programs offered to customers in Minneapolis and the costs of these pilot programs will not be charged separately to Minneapolis customers unless directed by the MPUC and/or DOC.

17. Counterparts. This Memorandum may be executed in any number of counterparts which, taken together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, this Memorandum has been signed by an officer duly authorized on behalf of the Parties hereto, all on the date first above written.

CITY OF MINNEAPOLIS

By _____

Its _____

XCEL ENERGY

By _____

Its _____.

Exhibit A: Clean Energy Partnership Memorandum of Understanding Xcel Energy Clean Energy Partnership Goals

1. Community Partnership. As demonstration of its commitment to this Partnership and its goals Xcel Energy hereby establishes a goal which seeks to reduce community-wide greenhouse gas emissions from Minneapolis electricity consumption by 91% by 2030 and by 93% by 2035, from a 2006 baseline. The Parties shall work together in good faith to facilitate opportunities to achieve this goal. In addition, Xcel Energy commits to
 - a. support local industries and the development of local expertise in growing fields such as RNG, hydrogen, district energy, and strategic electrification and to provide support to industrial customers to be more competitive with sustainability-focused customers by achieving their own GHG reduction goals.
 - b. advocating at the PUC and in other venues in support of efforts to assist energy-burdened customers.
 - c. supporting the diversification of the Xcel Energy workforce to increase the BIPOCI Minneapolis residents working for Xcel Energy.
2. Electricity Goals. Xcel Energy hereby confirms its commitment to sustainability stated in its annual Sustainability Report and its clean energy goals outlined in its 2024-2040 Upper Midwest Integrated Resource Plan filed with the Minnesota Public Utilities Commission on February 1, 2024.
3. Municipal Operations. The City itself, by virtue of its municipal operations, is a large and valued customer of Xcel Energy and, as such, Xcel Energy hereby commits to offer the City opportunities to pilot innovative technologies at municipal facilities and operations.
4. Reliability. The System Average Interruption Duration Index (SAIDI) and other reliability metrics (such as ASAI, SAIFI, CEMI, CELI, and CAIDI) applied to the City of Minneapolis shall perform equal to or better than Company's Minnesota territory as a whole.
5. Grid Modernization.
 - a. Xcel Energy hereby confirms its commitment to Grid Modernization. Advanced Metering Infrastructure (AMI) and the field area network (FAN) are critical foundational elements of Xcel Energy's grid modernization strategy. These technologies will work together to address system and customer needs, enhance service to customers, and open up new opportunities for future products and services that will help customers share in Xcel Energy's strategic priority to lead the clean energy transition. A more automated, insightful, and transparent grid supports greater customer empowerment and safety as well as continuing quality system average interruption duration index (SAIDI) and system average interruption frequency index (SAIFI) measurements, along with improved ability to

measure momentary average interruption frequency index (MAIFI). Also, AMI is important to Xcel Energy keeping up with greater customer demand for distributed energy resources.

- b. Xcel Energy hereby confirms its commitment to make best efforts to complete approved integrated distribution plan projects, or revise project plans until completion, located within in the City of Minneapolis. Should Xcel Energy determine that a particular project is not feasible, Xcel Energy agrees to make its best efforts to replace said non-feasible project with another Minneapolis-based project that would have similar benefits to customers (such as lowering costs, reducing greenhouse gas emissions, strengthening resiliency) upon completion.