ROBBINSDALE

Sustainability Committee Meeting
Wednesday, September 16, 2026
4100 Lakeview Avenue North
Robbinsdale, MN
6:00 PM

# AGENDA

1. ROLL CALL: Hansen, Hart, Heid, Larson, Lyng, Myers, Myrfield, Pendaz-Foster, Sande
2. CONSIDERATION OF MINUTES
   - A. August 19th, 2026 Meeting Minutes
3. NEW BUSINESS
   - A. October Trash Pick-Up (10 minutes)
   - B. Edible Gardens Discussion (15 minutes)
   - C. October City Council Work Session (30 minutes)
4. OLD BUSINESS
   - A. Franchise Fees (20 minutes)
   - B. Chamber of Commerce Meet & Greet Recap (10 minutes)
5. INFORMATION ONLY
   - A. Topics for Next Meeting?
6. ADJOURNMENT

# MINUTES

## ROLL CALL

Present: Hanelitz, Hansen, Myrfield, Heid, Sande, Pendaz-Foster
Absent: Hart, Larson, Lincoln, Lyng, Myers
Staff: Kayla Kirtz, Sustainability Coordinator; Gwen Casey, Minnesota GreenCorps Member

## CONSIDERATION OF MINUTES

A. June 17th, 2026 Meeting Minutes

Myrfield motioned to approve the minutes from the June 17th, 2026 Sustainability Committee meeting and Sande seconded. The minutes were unanimously approved.

## NEW BUSINESS

A. 2026 Chamber of Commerce Meet & Greet — September 14th, 5:30-7:30pm (5 minutes)

Kirtz told the Committee about the upcoming Chamber of Commerce Meet & Greet on September 14th. Kirtz asked if the Committee was interested in participating again. Myrfield, Heid, Hart, and Sande volunteered to table.

B. City of Crystal Sustainability Commission Mixer Reflection/Discussion (20 minutes)

The Committee debriefed the July mixer with the City of Crystal Sustainability Commission. They noted Crystal's Climate Action Plan, the Commission's Council Liaision, and expressed interest in having more meetings with the Crystal Commission. They suggested twice a year.

## OLD BUSINESS

A. Franchise Fees (30 minutes)

The Committee continued their discussion on franchise fees. They discussed presenting two recommendations to the City Council, one option that would increase the franchise fee and one option that would reallocate the franchise fee. The Committee asked if they could attend an upcoming work session to gauge the Council's interest in this topic. Kirtz said she would ask about the October work session agenda. Heid, Hansen, Hart, and Pendaz-Foster decided to meet as a subcommittee to further prepare the franchise fee recommendation.

B. Draft Sustainability Committee Policies & Procedures (15 minutes)

Kirtz introduced the memo from City Manager Sandvik. The Committee felt that the memo clarified their questions. Kirtz said the policies and procedures are still in draft form, as the City Council is looking to update the policies and procedures for all commissions/committees.

## INFORMATION ONLY

A. City Hall Native Planting Project Update (5 minutes)

Kirtz introduced the memo from the City's Water Resources Specialist.

B. Climate Action Plan Update (15 minutes)

Kirtz introduced the memo with an update on the climate action plan process. Kirtz said that there will be more updates to come and more opportunities for the Committee to be involved in the process.

C. Topics for Next Meeting?

The Committee requested the following topics for the September meeting agenda:
1. An update from the franchise fee subcommittee.
2. A recap from the volunteers who participated in the Meet & Greet.
3. A discussion on edible gardens.

**ADJOURNMENT**

Kirtz adjourned the meeting at 7:58 p.m.

# Robbinsdale Franchise Fee change - background, facts, ideas, and proposed ordinance(s).

Nick Heid (add any other authors)

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## 1. Introduction to Franchise Fees and how Robbinsdale uses them

This document outlines sustainability committee perspectives related to usage of Robbinsdale's electric and gas franchise fees, and of the arrangement of said fees as they relate to sustainability and city finances.

At a glance, sustainability committee members promote and recommend Robbinsdale City Council to adopt an ordinance and internal funding structure to utilize franchise fees collected from utilities for sustainability beginning in January 2027. We also suggest beginning preparation for a new franchise fee strategy in upcoming negotiations with Xcel Energy and CenterPoint Energy, Robbinsdale's electric and gas utility franchisees.

Historically, city staff track franchise fees and monitor their collection and fund uses. Franchise fees are an important utility-connected revenue source for the city, though they are not yet leveraged for sustainability purposes. The concept of using franchise fee funds for sustainability has gained traction across the United States, and many cities have created positive outcomes tying revenue to expenses that benefit utility ratepayers. The goal for this change is for the city to use fees collected to fund projects and initiatives that directly benefit utility ratepayers themselves, those who pay the franchise fees on their monthly utility bills. One great example is the city of Ann Arbor, Michigan, which used franchise fee structuring to increase their sustainability department's funding and has propelled them into various outcomes related to affordability, reducing local emissions, and public power ownership[1].

According to city staff at sustainability committee meetings, $250,000 is collected annually from Franchise fees and split 50/50 between the general fund and Capital

[1] https://www.a2gov.org/sustainability-innovations-home/carbon-neutrality-home/sustainable-heating-franchise/

Improvement Projects (CIP). This is likely inaccurate after looking at generated revenue from Franchise fees. It is unknown how transfers to each department works.

Staff feedback
At City Council Work Session - July 14, 2026, City of Robbinsdale staff outlined the following items for budgetary priorities:
“Over the last two months, staff have heard some common themes when it comes to budget
priorities:
• Maintain high levels of service
• Reduce the impact on taxpayers while promoting budget stability
• Continued focus on infrastructure/long-term capital planning
• Focus on the "Needs" vs the "Nice to haves"
• Limit eating into reserves
• Recognize outside forces
• Prioritize public communication/engagement/education”[2]

Insert sustainability, forestry, water resources staff feedback here

Overall, sustainability committee members believe increasing funding for sustainability is a best practice, and tying franchise fees to sustainability projects that will in the end reduce utility costs is following logical approaches to energy affordability which also make an impact on our emissions as a city.

What are franchise fees?
Minnesota state definition: S80C.01 DEFINITIONS. subd. 9.Franchise fee.
*"Franchise fee" means any fee or charge that a franchisee or subfranchisor is required to pay or agrees to pay for the right to enter into a business or to continue a business under a franchise agreement, including, but not limited to, the payment either in lump sum or by installments of an initial capital investment fee, any fee or charges based upon a percentage of gross or net sales whether or not referred to as royalty fees, any payment for goods or services, or any training fees or training school fees or charges; provided, however, that the following shall not be considered the payment of a franchise fee.*
Bolton and Menk have good summary article[3] which I’ve linked below.

In Robbinsdale, our franchise fees with Electric and Gas companies delivering fuel are collected at 5 (%) percent total gross sales from Xcel Energy and CenterPoint Energy.

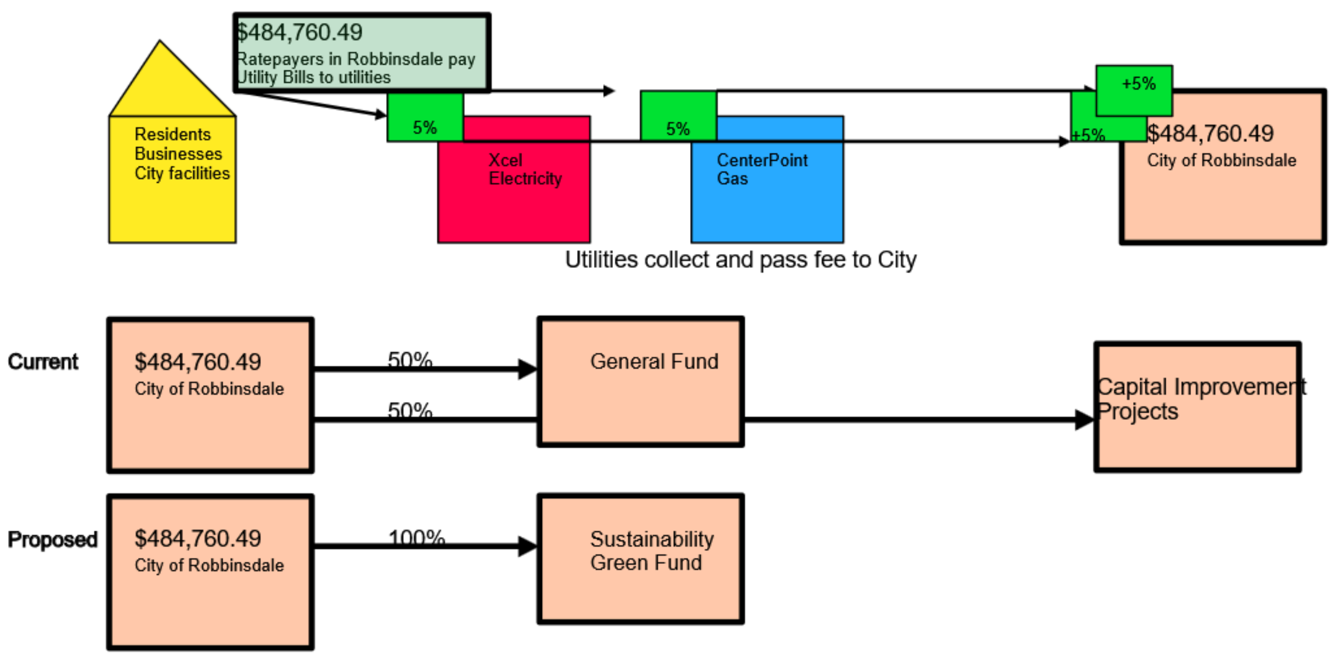
[2] Addendum 1 provides sustainability committee answers to all above bullet items as it relates to staff budgetary priorities and franchise fees.
[3] https://www.bolton-menk.com/resources/minnesota-franchise-fees/

For a ratepayer, this is visible on their utility bill as a 5% city franchise fee. The utilities collect the fee and pass along "100% of collections" which Robbinsdale then decides how to disburse the collections. These are the two aspects of full city council control:

1) Utility franchise fee collection process, percentage, and fee structure and
2) Usage of funds as they enter city funding pipeline, where the funds "land" in city departments, and approving fund implementation.

Our recommendations are connected to both aspects of city council control.

Budget issues are difficult to address in isolated silos of revenue sources. It is important to recognize risks and drawbacks to acting on franchise fee changes. Altering franchise fee percentages has an impact on utility bills. It is a unique city revenue collection process that with absolute certainty impacts those who pay utility bills. Below is some example math to show how ratepayers in Robbinsdale see the fees. IMG to show[4]
<u>Example bills/consumption and franchise fee:</u>




[4]Created on draw tool to represent fee processes

Electricity bill/monthly
630kWh (monthly average)
Charged .16c/Kwh
Total before any fees $100.8
- Current 5% franchise fee adds _$5.04__

1000 kWh (high user)
Charged .16c/Kwh
Total before any fees
- Current 5% franchise fee adds __$50.40_

Gas bills
75 therm (monthly average)
Charged $1.4/therm
Total before any fees $105
- Current 5% franchise fee adds __$5.25_

150 therms (high user)
Charged $1.4/therm
Total before any fees $210
- Current 5% franchise fee adds _$10.50__

**Rates**
Rates are tricky to discuss and vary based on cost of delivery, fuel, and infrastructure/grid conditions.
Gas rates: According to CenterPoint's rate book[5] , costs per therm are near $1.00662 without current interim rates added. Bureau of Labor Statistics[6] places Mpls area at 1.258/therm at the end of 2024. US Energy Information Administration[7] lists natural gas costs at 14.76 MCCF, which converted to therms is $1.479/therm in June of 2026. This is likely the most accurate cost, though natural gas costs are extremely variable given the global issues, which have been impacted by our current involvement in the middle east.
Electricity rates: According to Xcel's rate book[8], costs vary between .13c/kWh and .11c/kWh. Interim rates, rising general rates, and fuel costs add to this, along with fees and delivery charges. BLS says current rates are near 16c/kWh, EIA says they are 14.2c/kWh. I have calculated Robbinsdale's actual rates using my own bill at 16.4c/kWh (Addendum b). I have kept 16c/kWh as a compromise between data sources.

**Budget constraints**
Currently, the strained yet adopted city budget states:
"Large capital purchases planned will need to be financed with capital notes, use of reserves and/or deferred" (p. 16)

As it stands, large capital purchases planned will struggle to be financed. Considering franchise fees, the city may utilize utility fee collections toward utility-like expenses, such as giving residents pathways to reduce their utility consumption costs. This is

[5] CNP source
[6] BLS source
[7] https://www.eia.gov/dnav/ng/NG_PRI_SUM_DCU_SMN_M.htm
[8] Xcel source

something our Energy Action Plan could not consider, since it was made primarily by our utilities who are profit motivated. There are many options for ways to expand the franchise fee structure that can also support utility bill reductions. This is in another section below under “funding suggestions”.

- Robbinsdale’s 2026 budget claims 3.06% of the budget comes from Franchise Fees. In terms of priority, adding a 3% priority to sustainability by moving these funds seems practical and meaningful for the city which alleges caring about sustainability.
- Math on the total 2026 budget - 3.06% of $5.8m is $484,760.49, this is different from the number Engineering staff and City Manager told sustainability committee, which was $250,000/year. It is possible they each meant 250k/per unit, one for CIP projects and one for general fund projects.
- Year on year this amount would increase as utility rates increase respectively, but not percentage-wise. A 9% rate increase would impact net sales which would impact the 5% franchise fee total on each bill.

**Creating a sustainability fund**
To hold incoming franchise funds, a new department shall hold the funds appropriately named Sustainability Department. This department would have independent authority given to the Sustainability Director and its staff. All franchise fee funds should be transferred to the Sustainability department for its programmatic uses.

**Altering franchise rates of 5% may be risky**
Altering the percentage of franchise sales may be unnecessarily complicated and cause issues relating to utility bill affordability. One common approach would be to alter natural gas percentages upwards and to reduce electricity percentages downwards, an incentive to use less natural gas. Altering the rates would impact projected revenue, and is tricky to calculate with existing rate changes. This is worth doing, but is a complicated proposal which may muddy the purpose of the overall change. Overall, sustainability committee members suggest

OPTIONS 1 - Raise natural gas rates from 5 to 6 percent, Lower electricity franchise fees from 5 to 4.5 percent

2 - keep percentages
3 -

outlined

2. The urgent need for sustainability efforts and funding tied to sustainability

Currently, Robbinsdale does not invest budgetary expenses towards sustainability efforts beyond sustainability staff time. We have incredible staff who work diligently on this subject, and we need more funding prioritization to continue implementing sustainability work, including many self-funded efforts that are under Robbinsdale's control.

According to the most recent UN report on Climate Change, there are critical actions all levels of government must adopt to continue this persistent fight against climate change: "*The global response needs to encompass three interconnected phases: immediate response, coping and containment, and long-term resilience.*"[9]

Robbinsdale has a serious role in reducing greenhouse gas emissions across the city landscape, not just city owned facilities, but residents, businesses, and visitors. To do so, we must fund a sustainability department which can genuinely attack emissions and reduce them quickly, equitably, targeting emitting sources. This means equipping and resourcing all possible pathways to non-emittance, and using carrot and stick city regulatory tools to support these pathways. According to our benchmark data, our emissions are mostly vehicle traffic and natural gas use in homes.

Reducing natural gas usage is straightforward in theory: natural gas pipelines and their equipment should be retired immediately. Not only do natural gas appliances contribute significantly to home emissions and increase air quality issues inside homes, they are also very leaky across Robbinsdale's underground network. It should be Robbinsdale's goal to reach full reduction of natural gas use across the city as soon as possible. In order to partake in this long effort, each residential home must be given alternative options to home heating, water heating, and cooking, the three primary natural gas equipment types inside our city limits. Thankfully, such technologies exist and promise lower bills, some existing utility and state rebates, along with many other co benefits. Electric equivalent options exist in all categories, and with Xcel's electric heat rate we can promise cost decreases with heat pumps and heat pump water heaters to residents.

Reducing vehicle traffic is a complicated issue, but can be addressed by increasing transportation options, such as safe and common bike lanes, crossings, pedestrian passageways, and supporting our transit partners such as the Blue Line Extension and public transit projects that will give travelers more options to enter and leave the city. EV

[9] www.unep.org/resources/limiting-overshoot-navigating-exceedance

charging is another such effort, and Robbinsdale has installed two public fast chargers, with more hopefully to come.

**Funding suggestions**
In general, this fund should go towards tasks that reduce emissions before being spent on climate adaptation. Robbinsdale is not yet net zero, nor are we on track to meet our goals given in our Energy Action Plan. Thus, city efforts should be spent on helping reach strong decarbonization actions and spurring down pathways to achieving net zero emissions.

There are many options for expenses that can support utility bill reductions. Insulation, air sealing, and electrification/decarbonization are well studied and scientifically proven building science measures that the City of Robbinsdale may support. This investment also increases housing stock value and betters housing wellbeing of residents. We have an upcoming Climate/Emission Action Plan which will need implementation dollars. Many cities have programs and resources for their residents to claim rebates on insulation or electrification projects. This is a good time to mention electric heat pumps, which are not widely adopted but are capable of fully heating and cooling Minnesota homes at a roaring 350-400% efficiency, compared to fossil furnace heat which stands between 70-92% efficiency at best, while leaking along the pipes and being very variable in utility cost. Xcel now offers a reduced rate for electric heating, which lowers residents' full metered rates ~49% from the 8 heating months from November to May. The cost components of "fuel switching" from natural gas to electric all favor electricity usage, now evidence shows residents need support in the equipment purchase process. The "wheels" of decarbonization are set to move, the city can now leverage opportunities to begin the movement.

Ways to utilize franchise fee collections in the sustainability department which impact utility bills:

- Create an insulation rebate or grant, which residents can apply for a sum to help cover approved insulation costs, such as attic insulation.
- Create a program that gives out plug-in solar units to residents, which may soon be approved by our legislature. Plug in solar may reduce electricity costs by as much as 25%, and do not require interconnection, are UL certified, and very safe, despite misinformation brewing around them being unsafe.
- Increase heat pump rebates, or offer an electrification "grant" if a home in Robbinsdale electrifies equipment in their home.
- Create a home energy advisor position, or contract with energy consultants to help plan energy upgrades like electrification across our housing stock based on age, condition, and consumption needs.

- Jonathan – solar leasing / community solar installations / solar farm

Ways to utilize collections which impact climate change resilience and adaptation

- Institute a climate change adaptation plan, which could feasibly help Robbinsdale prepare for future climate impacts, adaptation issues we may encounter, and plan and compile resources for residents, such as funding cooling spaces during heat waves or resources if we encounter a climate disaster such as a flood or ice storm.
- Fund and staff warming houses to keep cool as cooling centers on the hottest days of the year
- Build a resiliency hub or utilize city-owned properties to support resiliency needs due to climate impacts
- Structure an emergency response plan for climate impacts

Relative price of utilities

**The overall goal of shifting franchise fee percentages is to encourage electricity usage in every residence because it has lower carbon emissions along its uses, especially inside the city of Robbinsdale and beyond, at the powerplant source. Eventually, electric appliances will be supplied power from closer electrons generated from the free sunlight hitting every corner of the city.**

## Ordinance structure (check tabs)

Chapter 10 of the City Charter outlines franchise structures and laws regarding franchise agreements. [10] The charter explains how to create ordinances and when public meetings and franchise agreements should be made.

CITY CHARTER CHAPTER 10 FRANCHISES AND PUBLIC UTILITIES
Section 10.01. Franchises Required. Except as otherwise provided by law, no person, firm, or corporation shall place or maintain any permanent or semi-permanent fixtures in, over, upon or under any street, highway or public place for the purpose of operating a public utility or for any other purpose, without a franchise therefore from the City.

[10] https://www.robbinsdalemn.gov/DocumentCenter/View/669/Robbinsdale-City-Charter-PDF?bidId=

Section 10.02. Franchise Ordinance. A franchise shall be granted only by ordinance, which shall not be an emergency ordinance. Every ordinance granting a franchise shall contain all the terms and conditions of the franchise. A franchise shall be without any validity whatever until it has been unconditionally accepted in all its terms and filed with the city clerk.

Section 10.03. Term. No exclusive or perpetual franchise shall ever be granted. No franchise for a term exceeding twenty years shall be effective until approval by a majority of the electors voting thereon.

Section 10.04. Public Hearing. Before any franchise ordinance is adopted or any rates, fares, or prices to be charged by a public utility are fixed by the council, the council shall hold a public hearing on the matter. Notice of such hearing shall be published at least once, in a manner permitted by law, not less than ten days prior to the date of the hearing. Additional notice of such hearing may be given in such a manner as the council may determine.

Section 10.05. Cost of Publication Of Franchise. The grantee shall bear the cost of publication of the franchise ordinance and shall deposit sufficient cash to guarantee the publication before the ordinance is passed.

Section 10.06. Power Of Regulation Reserved. Subject to any applicable law the council may by ordinance reasonably regulate and control the exercise of any franchise, including maximum rates, fares or prices to be charged by the grantee. No franchise value shall be included in the valuation of the grantee's property in regulating utility rates, fares, or prices under any applicable law, ordinance, or regulation or in proceedings for municipal acquisition of the grantee's property by purchase or eminent domain. Franchise rights shall always be subject to the superior rights of the public to the use of streets and public places.

Section 10.07. Renewals Or Extensions Of Franchises. Every extension, renewal or modification of any existing franchise or of any franchise granted hereafter shall be subject to the same limitations and shall be granted in the same manner as a new franchise.

Section 10.08. Applicability Of State Law. The provisions of this chapter relating to the regulation of rates and charges of an enfranchised public utility shall be inapplicable to the extent that rates and charges are regulated by the State Minnesota.

## CITY CHARTER CHAPTER 11 PUBLIC OWNERSHIP AND OPERATION OF UTILITIES

Section 11.01. Acquisition & Operation Of Utilities. The city may own and operate any gas, water, heat, power, light, telephone or other public utility for supplying its own needs for utility service or for supplying utility service to private consumers or both. It may construct all facilities reasonably needed for that purpose and may acquire any existing utility properties so needed; but no proceedings to acquire any such public utility shall be consummated unless the city has the money in the treasury to pay for acquisition or has made provision for paying for the property proposed to be required. The operation of all public utilities owned by the city shall be under the supervision of the city manager.

Section 11.02. Rates And Finances. Upon recommendations made by the city manager or upon its own motion, the council may fix rates, fares and prices for municipal utilities but such rates, fares or prices shall be just and reasonable. Before any such rates, fares or prices are fixed by the council, the council shall hold a public hearing on the matter in accordance with

Section 11.04. The council shall prescribe the time and the manner in which payments for all such services shall be made and may make such other regulations as may be necessary, and prescribe penalties for violations of such regulations.

Section 11.03. Purchase In Bulk. The council may, in lieu of providing for the local production of gas, electricity, water, and other utilities, purchase the same in bulk and resell them to local consumers at such rates as it may fix.

Section 11.04. Notice Of Hearings. Notice of hearings shall be published at least once, in a manner permitted by law, not less than ten days prior to the date of hearing. Additional notice of such public hearing may be given in such manner as the council may determine.

Charter Amendment No. 31, Ordinance No. 06-08, adopted unanimously by City Council July 18, 2006. Section 11.05. Lease of Plant. The council may, if the public interests will be served thereby, contract with any responsible person, co-partnership, or corporation, for the operation of any utility owned by the city, upon such rentals and conditions as it may deem necessary; but such contract shall be embodied in and let only by an ordinance by four-fifths vote of the council and subject to popular referendum. Such ordinance shall not be an emergency ordinance. In no case shall such contract be for a longer term than ten years.

Section 11.06. Public Utility. How Sold. No public utility owned by the city shall be sold or otherwise disposed of by the city unless the full terms of the proposition of sale or other disposition are embodied in an ordinance approved by a majority of the electors voting thereon at a general or special election. In the case of water works or light plant, any sale, lease, or abandonment shall be subject, in addition, to the requirements of state statutes.

**Addendum 1** provides sustainability committee answers to all above bullet items as it relates to staff budgetary priorities and franchise fees.
(At City Council Work Session - July 14, 2026)
City of Robbinsdale staff outlined the following items for budgetary priorities:
“Over the last two months, staff have heard some common themes when it comes to budget
priorities:

- Maintain high levels of service
    - Utilizing franchise funds for sustainability would significantly alter the allocated budget for sustainability, which is currently underfunded. This allows sustainability staff and related staff positions which may have impact on sustainability-related tasks a higher level of service. They will make more impact
- Reduce the impact on taxpayers while promoting budget stability
    - Sustainability is, at its core, a sustaining investment. Each sustainability expenditure is extremely likely to have a positive ROI for Robbinsdale residents. Building a sustainability initiative, program, or outward expense towards sustainable investments are genuinely reducing impacts.
    - Franchise fees are a strange form of ‘tax’, where a utility collects the fee and transfers it to the city. Modifying this tax by reducing a franchise fee percentages or altering which bill has which percentage reduces impact on taxpayers. For example, reducing the electricity franchise fee from 5% to 4%, while increasing natural gas franchise fee from 5% to 6% may have utility-payer implications. Reducing both from 5% to 4% will reduce the impact on taxpayers but will also reduce actual revenue from franchise fees.
- Continued focus on infrastructure/long-term capital planning
    - Sustainability is by its nature long term planning. The goal is to ensure Robbinsdale is able to succeed in reducing emissions, which helps the world sustain itself into the future. Sustainability investments can also give short-term affordability benefits along with their long-term emissions benefits. Changing the structure of franchise fees gives sustainability a genuine bucket of expected revenue, which it currently does not have. Increasing investment in long term sustainability strategy would be much more possible with a consistent, yearly sustainability department income that is directly tied to emitting entities. With franchise fees, emissions reductions pay for themselves via softer forms of incentives and reducing local home emissions if residents switch off natural gas uses.
- Focus on the "Needs" vs the "Nice to haves"

    - Investment in sustainability is a need. We know there are a myriad of issues connected to both climate change, weather patterns, flooding, adaptation and mitigation. Robbinsdale has been fortunate to avoid serious natural disasters, and the city needs to do its part in investing in emissions reductions strategy. Globally, most countries are doing their part. In the United States we are not quite there. There is a global mandate in solving emissions issues, which urges local action as a need. Along with this, affordability concerns for residents are an area of high need, pathways to reduce costs following building science best practices and electrification processes will help Robbinsdale long term.
- Limit eating into reserves
    - Moving this funding source will not impact reserve use. As a long term strategy, city revenue sources should be tied as closely as possible to their streams of revenue, by targeting utility franchise fees which are tied to utility consumption, we will reduce overall expenses by residents in the city. Reinvesting this portion of utility bills to resource residents in manners that will in return reduce their utility consumption is the goal, and increases best practices management of the budget. By using this fund in this way, reserves are better preserved long-term.
- Recognize outside forces
    - I’m not entirely sure what this means in terms of staffing priorities but I assume it is referring to the outside forces of climate collapse we are seeing occasionally though our phones across the world. I agree, and investing in sustainability initiatives would be a good way to recognize those serious threats and respond as a community.
- Prioritize public communication/engagement/education
    - Communicating this change may be complicated. Many residents may not care to know about their utility bills and how the city uses the franchise fees. This process is likely to increase public awareness of them and increase participation in sustainability oriented ways to reduce bills.

Addendum B - From July 17th meeting to sustainability committee

EXAMPLE XCEL BILL -

| DESCRIPTION | USAGE TYPE | USAGE |
|---|---|---|
| Total Energy | Actual | 640 kWh |

**ELECTRICITY CHARGES** **RATE: Residential Service**

| DESCRIPTION | USAGE UNITS | RATE | CHARGE |
|---|---|---|---|
| Basic Service Chg | | | $6.00 |
| Energy Charge Winter | 640 kWh | $0.113640 | $72.73 |
| Fuel Cost Charge | 640 kWh | $0.025266 | $16.17 |
| Sales True Up | 640 kWh | $0.005700 | $3.65 |
| Affordability Chrg | | | $2.12 |
| Resource Adjustment | | 2.463% my edit | $7.78 |
| Interim Rate Adj | | | $5.62 |
| **Subtotal** | | | **$114.07** |
| City Fees | | 5.00% | $5.70 |
| Transit Improvement Tax | | 1.25% | $1.50 |
| Other Special District | | 0.25% | $0.30 |
| County Tax | | 0.15% | $0.18 |
| State Tax | | 6.875% | $8.24 |
| **Total** | | | **$129.99** |

worth talking about, maybe another time

**INFORMATION ABOUT YOUR BILL**

This month the Resource Adjustment has increased due to changes in the Renewable Energy Standard (RES) Rider, which recovers our investments and expenses to add renewable energy systems to our generation resources. The RES Rider portion of the Resource Adjustment is 2.463% of the basic service charge, energy charge, and demand charge on your bill.

**finding the true residential electricity rate in Robbinsdale**

640kWh X **$0.144606** = $114.07

Total additional fee percentage is +13.525%, 5% of which is the city franchise fee

Robbinsdale currently charges a +5% franchise fee of subtotal bill to Xcel. Second page of Xcel Energy utility bill statement shows this.

.144606 (rate line items) , + 13.525% (fees) = $0.164163962, true rate is 16.41 cents per kWh

Addendum C

*How franchise fees translate into a carbon price*

The franchise fee is applied to the utility's gross receipts/net sales from service inside the city customer charge + distribution/delivery charge+ purchased gas or electric commodity charge + applicable riders.

Assumes gas rate of $1.00/therm, although technically per therm is slightly higher

| Gas franchise fee | Added cost per therm | Added cost for 80 therms/month | Implied carbon price/CO2e/ton |
|---|---|---|---|
| 5% | .05 | $4.00 | $9.43 |
| 8% | .08 | $6.40 | $15.09 |
| 10% | .10 | $8.00 | $18.87 |
| 15% | .15 | $12 | $28.30 |
| 20% | .20 | $16 | $37.74 |
| 27% | .27 | $21.60 | $50.94 |

| | | | |
|---|---|---|---|
| 197% | 1.97 | $190 | $190 |

The point: even a 10% gas franchise fee only prices carbon at about $19/ton CO2, far below the social cost of carbon[11]. In order to price gas to the societal cost per ton of CO2 emitted, further levers would need to be pulled by the MN PUC or utilities.

RFF's Social Cost of Carbon Initiative developed a modern model to estimate the SCC called the Greenhouse Gas Impact Value Estimator (GIVE). That work was published in Rennert et al. (2022) through the peer-reviewed journal Nature and found an estimated SCC of $185 per ton of $CO_2$, up significantly from previous federal estimates of about $50 per ton. In 2023, the US Environmental Protection Agency (EPA) drew heavily from RFF's work and updated its central SCC estimate to **$190 per ton of $CO_2$.**[12]

[11] https://19january2017snapshot.epa.gov/climatechange/social-cost-carbon_.html
[12] https://www.rff.org/publications/explainers/social-cost-carbon-101/