

**RESOLUTION
of the
CITY OF MINNEAPOLIS**

By Gordon

**Setting a Special Election for November 5, 2013, on the Question of
Authorizing the City of Minneapolis to Acquire the Property of a Public Utility and
to Form a Municipal Electric Utility.**

Whereas, the City of Minneapolis has a goal to be an “eco-focused, internationally recognized leader for a healthy environment and sustainable future”; and

Whereas, the City of Minneapolis has a franchise agreement with Northern States Power Company, now doing business as Xcel Energy, that expires on December 31, 2014, which in 2012 generated \$16.7 million in franchise fees paid to the City for the use of the City’s right-of-way; and

Whereas, the City has adopted aggressive climate goals, including reducing carbon emissions by 30%, increasing energy efficiency in commercial and industrial buildings by 20%, generating 10% of our electricity from renewable sources by 2025, from a 2006 baseline; and

Whereas, the Minneapolis Climate Action Plan adopted on June 28, 2013, includes many strategies for increasing energy efficiency and renewable energy that are not currently available through the utility service provided by Xcel Energy; and

Whereas, 78% of the electricity used in Minneapolis is generated by non-renewable sources (35.1% coal, 29% nuclear, 13.6% natural gas); and

Whereas, electricity rates for Minneapolis residents and businesses continue to rise steadily, with Xcel Energy revenue per kilowatt-hour increasing by 32% since 2006 (including the 9% interim rate increase that came into effect in January 2013, as a new rate case is being renewed); and

Whereas, 125 communities in Minnesota and more than 2,000 communities in the United States, including large cities such as Los Angeles and Sacramento, California, Seattle, Washington, and Austin, Texas, are served by municipal electric utilities, and these communities are home to over 47 million people and 3 million businesses; and

Whereas, many larger municipal utilities are making more progress on fighting climate change (with local renewable energy generation) than Minneapolis: for example, the Sacramento Municipal Utility District has a goal of reducing emissions by 90% by 2050, and has installed 100 times more solar capacity than Minneapolis has; and

Whereas, municipal utilities have been shown on average to have fewer and shorter power outages than investor-owned utilities; and

Whereas, local energy investments in energy efficiency (building retrofits and smart grid investments) and renewable energy (wind, solar and biomass) create more than twice as many jobs per dollar invested than investments in coal and natural gas; and

Whereas, residential customers of municipal power utilities across the United States pay on average 14% lower rates than customers of investor-owned utilities; and

Whereas, the City of Minneapolis provides water, sanitary sewer, storm sewer, solid waste, and recycling utility services to the people of Minneapolis, and in 2012, over 90% of Minneapolis residents were satisfied with these utility services; and

Whereas, Minnesota Statutes, Chapter 216B and other pertinent authority grants municipalities the ability to acquire and operate public utilities; and

Whereas, authorization by Minneapolis voters to acquire the property of a public utility and form a municipal electric utility will aid the City of Minneapolis by providing the City with an alternative pathway to meeting its energy goals; and

Whereas, passage of this ballot question would enable, but does not require, the City to acquire the property of a public utility and to form a municipal utility, and significant additional study will be required before the City actually acquires the electric infrastructure currently owned by Xcel Energy or others; and

Whereas, the Energy Pathways Study being completed by the Center for Energy and the Environment will provide information on the feasibility of acquiring the property of a public utility and forming a municipal electric utility;

Now, Therefore, Be It Resolved by The City Council of The City of Minneapolis:

That the City of Minneapolis desires to acquire the property of any existing electrical public utility operating within the City of Minneapolis and to establish a municipal electric utility and to own, operate, construct, and extend electric facilities for the purpose of providing electric and similar services.

Be It Further Resolved that the City of Minneapolis will conduct a special election on November 5, 2013, on the question of: "Shall the City of Minneapolis be authorized to establish a municipal electric utility and to own, operate, construct, and extend electric and similar facilities and to purchase and acquire the property of any existing electrical public utility operating within the City of Minneapolis for the purpose of providing electrical and similar services?"

Be It Further Resolved that the City of Minneapolis only intends to acquire the property of a public utility and form a municipal electric utility if it can provide energy services:

- 1) Without raising electricity rates above the trend line established by Xcel Energy from 2006-2013.
- 2) As or more reliably than the incumbent utility.
- 3) In a way that meets the City's aggressive emissions reduction and climate change goals.
- 4) While meeting the City's energy efficiency goals and increasing locally generated renewable energy.