

ENERGYMATTERS



THE NEXT FRONTIER: INDUSTRY AND AGRICULTURE

Scientists agree that to address the global climate crisis we must be carbon neutral across the economy by mid-century or before. And while our power sector continues to get cleaner and we transition carbon-intensive parts of our economy onto clean electricity, there are other pieces of the puzzle that we must also fit into place to meet the problem of global warming at the speed and scale of the issue.

To rise to the challenge, Fresh Energy is launching a new Industry department that will focus on regulation, policy, and market transformation to accelerate decarbonization of Minnesota's industrial and agricultural sectors.

From the Iron Range to farm country and everywhere in between, Minnesota has a long history of being on the leading edge of industry and agriculture, which is why today these sectors are major economic drivers and critical sources of jobs for our state.

These sectors have evolved over the decades and continue to do so. This presents Minnesota with an opportunity to keep leading from the Midwest with urgently needed rapid decarbonization while continuing the legacy of family-supporting jobs, a strong tax base, economic vitality, and beyond for our communities. But we must start now.

At the outset, the new Industry department will advance work already underway at Fresh Energy on clean fertilizer and with partners on clean steel. United States fertilizer

production is enormously carbon intensive and 99% of fertilizers are made using fossil fuel. The local production of “green fertilizer” is an important first step toward industrial decarbonization—and Minnesota is poised to create a model of local production and rural economic development, all driven by renewable wind power.

The Industry department will also prioritize helping Minnesota meet its greenhouse gas emissions reduction goals by advancing changes to regulatory and policy structures. Additionally, the team will work to spur innovative and equitable market transformation in light of new federal investments—including \$5.5 billion in the Inflation Reduction Act (IRA) in support of low-embodied carbon materials development, like clean cement and clean steel, and a production tax credit for zero-carbon hydrogen, making green hydrogen cheaper than gray hydrogen.

And while the policy work within this department is important, even more crucial is the department's role in building a community of collaborators from around the state to affect change.

The time is now to take on the toughest sectors of our economy to decarbonize and Fresh Energy is excited to grow our work and our team to meet the climate challenge!

Stay tuned to fresh-energy.org for more details about the Industry program and leadership over the coming weeks.



What a year for energy and climate—and for Fresh Energy's 30th anniversary!

At the Benefit Breakfast, our guest speaker Julian Brave NoiseCat said about Fresh Energy, **"I believe this is an organization that's doing something significant and takes that responsibility really seriously."**

Julian's words have stuck with me because he's exactly right. I see every day how seriously the Fresh Energy team takes their responsibility to move the needle on climate change through their work.

From public education and engagement in the Inflation Reduction Act to gearing up for the legislative session, and everything in between—they're on it and collaborating with partners, stakeholders, and communities every step of the way.

Since I shared my "rewiring" plans for next year at the Benefit Breakfast, I've had a few friends approach me and say, "I can't imagine Fresh Energy without you!" And while I appreciate the sentiment, my response has been, "Well, I can—and do!"

The reason I'm so secure in my rewiring decision is because of the incredible momentum we've built. I have tremendous hope and confidence in the clean energy future we are forging together—it is looking brighter than ever.

Thank you for your support.

A handwritten signature of Michael Noble in black ink.

noble@fresh-energy.org | @nobleideas

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AT [FRESH-ENERGY.ORG](https://fresh-energy.org)

HISTORIC GRID INVESTMENT HEADED TO THE UPPER MIDWEST



This summer, the Midcontinent Independent System Operator (MISO), approved \$10.3 billion of investments in new long-range transmission projects across the upper Midwest. This will increase MISO's capacity to handle renewable generation, ultimately allowing more than 20 gigawatts of new wind and solar to power our grid. This announcement came after years of advocacy, analysis, and stakeholder engagement from Fresh Energy and our partners and has launched a new phase of our work on three such projects at the Minnesota Public Utilities Commission.

FILLING EQUITY GAPS IN WEATHERIZATION



The Infrastructure Investment and Jobs Act (IIJA) set aside \$6.5 billion for energy efficiency and weatherization retrofits for homes, buildings, and communities. Fresh Energy and our partners provided feedback on Minnesota's plan before it was submitted to the federal government, emphasizing opportunities to strengthen and grow our state's weatherization work by targeting multifamily buildings in under-served communities of color, advancing strategic electrification, providing workforce development, and more. This fall marked the start of a multi-year process of state agencies drafting and submitting plans to the federal government for each category of funding within IIJA. Fresh Energy is committed to closely monitoring and guiding state plans to advance equitable policies, processes, and outcomes.

J. DRAKE HAMILTON HEADS TO EGYPT



This year, the U.N. Climate Change Conference—or COP27—is being in Sharm El-Sheikh. J. Drake Hamilton, Fresh Energy's senior director of science policy, is both attending and hosting presentations on the global stage. She will be joined by representatives from the Minnesota delegation, including Dr. Nfamara

K. Dampha of the University of Minnesota, to discuss the Midwest's role in global decarbonization. COP27 will center discussions around climate finance, mitigation, and adaptation, as well as the United States' recommitment to global climate goals and the impacts of the Inflation Reduction Act. Check out the latest COP updates from J. at fresh-energy.org/COP27.

ELECTRICITY RATES AND OUR ENERGY TRANSITION



It is clear that slowing the effects of climate change requires a combination of solutions. We know that we need to keep scaling up clean energy technologies like wind, solar, and battery storage, while at the same time improving old equipment to make it cleaner and more efficient. Another equally important but less obvious tool for clean energy and climate progress comes in the form of the electricity rates we all pay.

Depending on how they are designed, electricity rates can either help customers power their lives with clean energy or do the opposite. But how do we work toward a design that is equitable, responsive, and future-focused?

Fresh Energy, alongside many of our clean energy partners, regularly engages in rate cases and rate design proceedings at the Minnesota Public Utilities Commission to advocate for policies that are more equitable and more closely aligned with Minnesota's clean energy landscape and climate goals. While there are many elements to rate design, here are a few of the Fresh Energy team's top priorities:

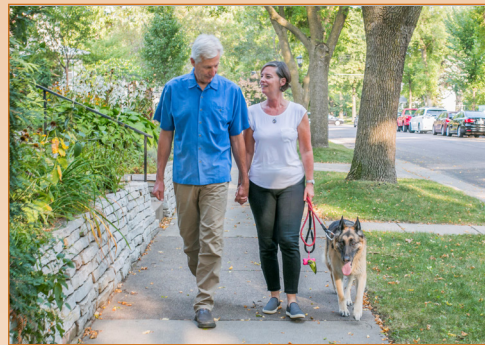
Align rates with public policy. Rate structures like time-of-use (TOU) rates encourage customers—like Sage and baby Juniper, pictured above, who participated in Xcel's TOU pilot program—to reduce their energy bills and emissions impacts by using power when renewable energy is plentiful, which also happens to be when energy is cheapest! TOU rates can also incentivize the electrification of appliances and vehicles, improve system flexibility, and reduce long-term system costs.

Keep fixed charges low. A fixed charge is the portion of an electric bill that is constant month-to-month and does not change based on how much electricity a customer uses. Increasing fixed charges disproportionately harms under-resourced customers and disincentivizes energy conservation, giving customers less control over their bill.

Evaluate and iterate. Fresh Energy works with partners, customers, and utilities to closely evaluate existing rate offerings and make improvements that advance the public interest. Fresh Energy's policy goals in rate design include improving load flexibility, achieving equity and affordability especially for under-resourced customers, and encouraging energy conservation and strategic electrification.

Stay tuned for updates on equitable rate design, a key facet of the work underway on Fresh Energy's Clean Electricity team.

DONOR PROFILE | TERESA MORROW
AND DALE PIPPIN



LONG-LASTING, NONPARTISAN CHANGE

Teresa Morrow and her husband Dale Pippin began their giving journey with Fresh Energy as small donors early in the organization's history. Teresa recounts both Fresh Energy's nonpartisan advocacy and partnership with businesses and utilities as reasons she gave to Fresh Energy, noting that "Climate change is a human issue—something we all have to tackle together."

Later on, Teresa joined Fresh Energy's board, playing a pivotal role in the organization's growth and evolution. Since launching her own brand-building and engagement business, Teresa has continued to serve on the Fresh Energy Development Committee.

To Teresa, pairing hands-on action with her family's annual giving through Fresh Energy's Power Circle is critical to long-lasting change. "I see Fresh Energy as a change agent, helping turn the conversation around to impress upon people the importance of clean energy as a climate solution. An investment in this organization is an investment that will keep paying dividends for many years to come."

To join Teresa and Dale in leaving a clean, sustainable legacy for future generations with a gift to Fresh Energy, contact Senior Director of Individual Giving Meggie LaValley at lavalley@fresh-energy.org.

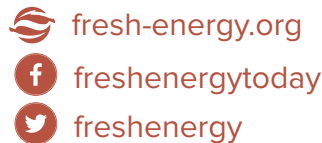


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LOOKING FORWARD | CLEAN ENERGY IN 2023

THE ART OF POLICY CHANGE

To celebrate Fresh Energy's 30-year legacy and the exciting growth and change ahead, we worked with Rochester, Minnesota, watercolor artist Amarilys Henderson on 10 unique paintings for our office in downtown Saint Paul. When we kicked off this six-month journey, we had no idea that in addition to our anniversary, we would also be celebrating a historic year for clean energy policy change.

The piece to the right, "People-Powered Policy," was inspired by the work of Fresh Energy's staff, our partners, and Minnesotans who have spoken up to guide clean energy and climate progress in our state. Learn more about Amarilys and view the full watercolor series at fresh-energy.org/visual-arts.

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During the 2023 Legislative Session, Fresh Energy's Public Affairs team and policy staff will be advocating for equitable, actionable, and nonpartisan clean energy legislation that is good for our state's climate goals and all who live here.

However, one of our largest priorities is to ensure that Minnesota does not miss out on the unprecedented, long-term funding opportunities in the Infrastructure Investment and Jobs Act (IIJA) and the Inflation Reduction Act (IRA). Our state is at risk of losing out if our elected leaders do not step up and allocate matching dollars for the grants within IIJA and IRA.

Fresh Energy will be laser-focused on ensuring Minnesota secures our rightful share of this federal investment in our communities. Learn more at fresh-energy.org/IIJA.

