

Leading from the North

The path to Minnesota's carbon-free future.

Fresh  Energy

2023-2024

annual report

Vision 2030



HELLO, MY FRIEND!

I celebrated my one-year anniversary at Fresh Energy this spring, and I could not be more excited about the amazing things we accomplished together in 2023 — the highlights of which you'll read about in these pages!

As the leader of the extremely high-achieving and motivated team at Fresh Energy, one of the most important roles I play is to think about the future. Over my decades of experience, I've had the good fortune to guide multiple organizations in charting a path for achieving their goals.

At Fresh Energy, our goal is to prevent the worst impacts of climate change by fully decarbonizing our economy by mid-century. Though we've made incredible progress together, the clock is ticking, and we must ensure that our expertise and capacity are directed to the highest leverage solutions.

Beginning last July, a team of Fresh Energy board members, led by former University of Minnesota Morris Chancellor Jacqueline Johnson, and staff rolled up our sleeves to conduct strategic planning that confirms where we need to be by 2030, how we need to get there, and why Fresh Energy is uniquely positioned to drive progress.



Fresh Energy's Christine McCormick and Brenda Cassellius were invited to attend the bill signing ceremony for the permitting reform bill with legislators and Governor Tim Walz in Dexter, Minnesota.

As the plan moves forward to completion, we are doubling down on our role as a clean energy policy leader with a proven ability to shape and secure laws — and get the implementation details right at the Public Utilities Commission and other venues. Equity remains central as we continue to move toward a future where our economy is powered by carbon-free electricity instead of fossil fuel. But we are entering a time when the need for action is more urgent than ever — and the solutions are increasingly complex.

We can and must tackle the hard-to-decarbonize portions of our economy while ensuring that this transformative moment reduces racial and economic disparities. I am so proud to be leading an organization that is taking on this hard work, moving Minnesota and the Midwest to set the pace on climate progress for the rest of the country. I look forward to sharing our exciting vision for the future at our annual Benefit Breakfast in October.

As you will read in this report, 2023 was a landmark year for clean energy and climate in Minnesota. I am so grateful for the support of the individuals, philanthropies, and businesses that enabled Fresh Energy to play such a critical role in advancing ambitious climate policy at all levels over the past year.

Thank you for your trust in Fresh Energy to lead on climate and for your friendship and generosity that enables us to do this work.

Brenda Cassellius
Executive Director

P.S. Our Benefit Breakfast is right around the corner on October 9. Come early and stay late for the Fair of the Future — and have a blast! We have lots in store for our guests. Learn more and register today at fresh-energy.org/benefitbreakfast24.

Board of Directors and Staff

BOARD OF DIRECTORS

| | | |
|----------------------------|------------------------|---------------------|
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| Trent Mostaert, Vice Chair | Jeff Broberg, LPG, REM | Eric Pasi* |
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*Indicates board members who departed or met their term limits in 2023.

STAFF

| | | | |
|---|--|--|---|
| Brenda Cassellius Executive Director | Lani Hanson* Senior Editor, Energy News Network | Christine McCormick Digital Communications Associate | Mike Schowalter Senior Manager, Wholesale Electric Grid Transition |
| MK Anderson* Senior Policy Associate, Transportation | Liz Hatfield Community Associate, People Operations | Craig McDonnell* Managing Director, Industry | Jillian Theuer Senior Development Associate |
| Anjali Bains Managing Director, Transportation | Dan Haugen Managing Editor, Energy News Network | Steve Merino Senior Business Operations Associate | John Vaughn Managing Director, Community Development and Finance |
| Sally Bauer* Session Associate | Susan Hellstrom* Community Engagement Associate | Annie Moua Senior Information Management Associate | Laura Wagner* Session Associate |
| Margaret Cherne- Hendrick Senior Lead, Innovation and Impact | Anna Johnson Senior Manager, State and Local Affairs | Michael Noble* Former Executive Director | Janiece Watts Director of Culture and Partnerships |
| Joe Dammel* Managing Director, Buildings | Brynn Kirsling Senior Manager, Advocacy Campaigns | Julia Olmstead Executive Lead, Philanthropy | Rachel Wiedewitsch Senior Policy Associate, Clean Electricity |
| Caitlin Eichten Senior Policy Associate, Buildings | Kathryn Krawczyk Associate Editor — Newsletter/Multiplatform, Energy News Network | Mari Ojeda* Senior Manager, Energy Access and Equity | John Berns Contract Lobbyist |
| Justin Fay Senior Lead, Public Affairs and Advocacy | Mat Larson Krisetya Executive Lead, Organizational Health | Jo Olson Lead Director, Communications and Engagement | Shubha M. Harris Equitable Energy Policy Consultant |
| Eric Fowler Senior Policy Associate, Buildings | Isak Kvam Senior Communications Associate, Writer | Leigh Onkka Senior Development Manager | Jukka Kukkonen Clean Transportation Consultant |
| Allen Gleckner Executive Lead, Policy and Programs | Meggie LaValley Lead Director, Individual Giving | Ken Paulman Senior Director, Energy News Network | Kathleen Mason* Capitol Pathways Intern |
| J. Drake Hamilton Senior Director, Science Policy | Faith Mainor Director, Major Gifts | Isabel Ricker Senior Director, Clean Electricity | Curt Nordgaard, M.D. Fossil Gas and Health Consultant |

*Indicates staff who departed Fresh Energy.

Financial Statement

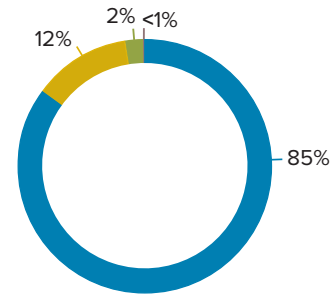
2023-2024 Fiscal Year

STATEMENT OF ACTIVITIES

Without donor restrictions only.

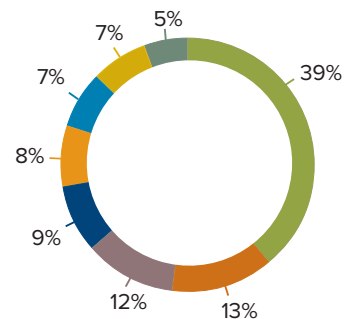
SUPPORT AND REVENUE

| | | |
|--|-----------|------------------|
| ● Grant Revenue Released from Restrictions | \$ | 6,581,184 |
| ● Contributions Without Donor Restrictions | \$ | 956,398 |
| ● Investment Revenue | \$ | 171,620 |
| ● Other Revenue | \$ | 13,364 |
| TOTAL SUPPORT AND REVENUE | \$ | 7,722,566 |



EXPENSES

| | | |
|-----------------------------------|-----------|------------------|
| ● Energy Transition | \$ | 3,143,166 |
| ● Energy News Network | \$ | 1,054,980 |
| ● Administration | \$ | 932,485 |
| ● Clean Electricity | \$ | 713,203 |
| ● Fundraising | \$ | 624,346 |
| ● Public Affairs | \$ | 588,472 |
| ● Acceleration Fund | \$ | 565,337 |
| ● Energy Access and Equity | \$ | 443,544 |
| TOTAL EXPENSES | \$ | 8,065,533 |
| Increase (Decrease) in Net Assets | \$ | (342,967) |



STATEMENT OF FINANCIAL POSITION

ASSETS

| | | |
|-----------------------------|-----------|------------------|
| Cash and Cash Equivalents | \$ | 6,087,863 |
| Investments | \$ | 210,122 |
| Pledges < 1 year | \$ | 746,580 |
| Pledges > 1 year | \$ | 1,476,024 |
| Prepaid Expenses | \$ | 93,350 |
| Property and Equipment, net | \$ | 411,983 |
| Right-of-Use Asset | \$ | 137,889 |
| TOTAL ASSETS | \$ | 9,163,811 |

LIABILITIES AND NET ASSETS

| | | |
|---|-----------|--------------------|
| Total Liabilities | \$ | 687,074 |
| Total Net Assets with Donor Restrictions | \$ | 6,772,385 |
| Total Net Assets without Donor Restrictions (Operating Reserve & Acceleration Fund) | \$ | 1,704,352 |
| TOTAL LIABILITY and NET ASSETS | \$ | \$9,163,811 |

Period covered: February 1, 2023 – January 31, 2024.
An audited financial statement is available upon request.



Our donors make it possible!

View the full list of donors and supporters on our website at fresh-energy.org/2023-24donors



“There have been goals made by the United Nations as to where we should be. We won’t meet those goals unless people realize how urgent this problem really is.”

-Libby R., Richfield High School student (above left)

“I want the money I give away to do something meaningful in the world, that addresses the problems that are critical to get through the next 40 to 100 years for humanity.”

Hyacinth Diehl, Power Circle donor

As a result of your investment in Fresh Energy, together we were able to ensure...



720 homes

in Crookston, Minnesota, are anticipated to be improved with energy audits, better insulation, and electric appliances. This work is a result of Fresh Energy's partnership with Empower Crookston and will ensure these homes are healthy, affordable, and future-ready.



34,483 miles

of gas mains in Minnesota's natural gas distribution system are now under scrutiny with the goals of avoiding "stranded assets" and better addressing Minnesota's emissions reduction targets, thanks to groundbreaking advocacy and research conducted by Fresh Energy.



more than \$10,000,000

was allocated by the Minnesota Legislature in 2024 for clean energy and climate thanks to advocacy from Fresh Energy.



70%

reduction in energy use by 2038 for new residential buildings in Minnesota compared to the 2006 baseline, thanks to Fresh Energy's years of advocacy for more efficient residential energy codes.



\$1,000,000

in new grant dollars set aside for an innovative, equity-focused program advanced by Community Stabilization Project in partnership with Fresh Energy to help Minnesotans purchase electric lawn and snow removal equipment.



Up to 2 months

reduction in the time it takes from written order to the start of construction for crucial energy-related projects including renewables, storage, and transmission due to Fresh Energy's advocacy for permitting reform.



12,000 Minnesotans

heard from Fresh Energy in person and virtually about exciting rebates and tax incentives for electrifying their lives made available from the Inflation Reduction Act and other federal and state programs.



40 testimonies

from Fresh Energy's policy leaders at the Minnesota Legislature in support of clean electricity, the energy transition, and energy justice.



23,000 households

in 77 under-resourced communities around the state within Xcel Energy's service territory would have their energy burden reduced through automatic bill credits averaging \$450 annually, a proposed pilot program supported by Fresh Energy.

Fresh Energy's mission is to shape and drive bold policy solutions to achieve equitable carbon-neutral economies. Together we are working toward a vision of a just, prosperous, and resilient future powered by a shared commitment to a carbon-neutral economy.

Fresh Energy Progress

CLEAN ELECTRICITY

Clean electricity is the foundation of a carbon-neutral economy, so we must secure the carbon-free milestones enacted in Minnesota's 100% clean electricity law.

Fresh Energy is ensuring Minnesota reduces greenhouse gas emissions in its electricity sector by expanding renewable electricity generation, storage, and transmission; building a future-proof electric grid; and advocating for equitable rate designs. To accomplish this, our team of policy experts engage and intervene at the Minnesota Legislature, Minnesota Public Utilities Commission, and other decision-making venues.

Thanks in part to years of advocacy from Fresh Energy, Minnesota passed a landmark 100% clean electricity law in 2023 that commits all utilities to provide Minnesota customers with 100% carbon-free electricity by 2040. But passing this legislation was only the first step.

We are committed to ensuring our state can achieve 100%. To accomplish this, Minnesota must build a future-proof grid that can deliver cost-effective renewable energy. This means we need to swiftly build more transmission lines to reliably carry clean power.

Transmission and permitting has been a significant focus of Fresh Energy's policy work over the past year. Our efforts helped pass the Minnesota Energy Infrastructure Permitting Act at the Minnesota Legislature, a policy that will speed up Minnesota's approach to permitting for important energy-related projects. We also activated Fresh Energy's avid clean energy advocates in our Action Network to speak up at the Minnesota Public Utilities Commission in support of the Minnesota Energy Connection, a critical transmission line that will enable up to 4,000 megawatts of new renewables to come online.

In tandem with our grid and transmission efforts, we are also engaging at the Minnesota Public Utilities Commission to ensure the rate designs and long-range plans put forward by Minnesota's utilities are on track to achieve our 100% law and include electric grid updates that will better accommodate solar, electric vehicles, heat pumps, and batteries.

PUBLIC AFFAIRS

Public Affairs helps policymakers create climate-smart legislation through strong policy design and partnerships. At the grassroots level, our Action Network is giving Minnesotans the tools to speak up for a carbon-free future.

The Public Affairs team continues to lead the charge in driving transformative policy for a carbon-free future. This year, we kept up the momentum set by the historic 2023 session of the Minnesota Legislature. Fresh Energy played a pivotal role in developing and advancing policy that accelerates the deployment of clean energy, makes strategic investments in economy-wide climate solutions, and better positions Minnesota to meet our ambitious state climate goals.

We have grown our Action Network to more than 2,000 members, empowering the public to champion clean energy and climate policies. This network enables effective advocacy at traditionally hard-to-reach venues, such as the Minnesota Public Utilities Commission.

Fresh Energy's policy leaders were called upon throughout the legislative session to provide expert oral and written testimonies, showcasing the trust Minnesota's leaders have in our deep expertise. Our advocacy and policy work earned national recognition,

resulting in an invitation to the White House. Fresh Energy also earned international recognition at COP28, the Global Climate Summit in Dubai, where we represented Minnesota on the global stage and shared "the Minnesota story" with thousands.

Fresh Energy's Public Affairs team remains dedicated to driving ambitious policy progress, ensuring that Minnesota leads the way in the transition to a clean energy future. We are committed to continuing our work at all levels of government and other decision-making forums to advocate for policies that promote decarbonization, equity, and a cleaner future that benefits all Minnesotans.

"Our state is a leader in transitioning to clean energy — let's keep up the good work. Our kids and grandkids are counting on us."
Anne Reich, Marine on Saint Croix



Advocates gather at the State Capitol to celebrate Minnesota's 100% clean electricity law in May 2023. Photo/Fresh Energy

Fresh Energy Progress

ENERGY TRANSITION

Decarbonizing Minnesota's economy means transitioning to carbon-free transportation and buildings, while also taking on the harder-to-decarbonize sectors of the economy like industry and agriculture.

The Energy Transition team is pulling critical policy levers to reduce greenhouse gas emissions across critical sectors of Minnesota's economy. This year, we saw remarkable progress marked by significant legislative and regulatory victories.

Fresh Energy is setting the pace for the Midwest with our work on gas decarbonization at the Minnesota Public Utilities Commission. Through our work in gas utility rate cases, resource planning, and beyond, we are striving to challenge traditional business models and promote greater scrutiny of gas utility practices. To further bolster this work, we established a new coalition, Clean Heat Minnesota, in partnership with COPAL and CUB Minnesota. The coalition is forging new strategies to advocate for clean, affordable energy for heating, cooking, and appliances, addressing emissions in the building sector with support from nearly 50 organizations.

Emissions from Minnesota's buildings are increasing every year. To tackle this problem, Fresh Energy doubled down on advocacy efforts to update our state's building codes. Our efforts resulted in the Minnesota Legislature passing an accelerated residential energy code provision requiring the code to achieve a 70% reduction in energy use by 2038 compared to the 2006 baseline — this residential

code update is complimentary to the commercial energy code update we helped pass into law in 2023.

Advancing the energy transition requires innovative policy, and Fresh Energy is rising to the challenge by helping ensure everyone has access to and benefits from the energy transition. To support this, we partnered with St. Paul's Community Stabilization Project to pass a first-of-its-kind grant program to help Minnesotans living in environmental justice areas purchase electric lawn and snow removal equipment.

The Energy Transition team also led on passing legislation that phases out polluting fluorescent light bulbs and a bill that updates Minnesota's landmark Energy Conservation and Optimization (ECO) Act to streamline energy efficiency. We also helped guide Xcel Energy's Transportation Electrification Plan at the Minnesota Public Utilities Commission, advocating for electric school buses and equitable charging infrastructure, and secured a win at the Minnesota Legislature with our partners at the Coalition for Clean Transportation on the Metropolitan Council's commitment to purchasing zero-emission buses.

Our crucial and expanding work driving the energy transition continues as we take on decarbonizing Minnesota's more difficult sectors of the economy.





Brenda Cassellius (left) testified in support of the small electric outdoor equipment grant program alongside Senator Jennifer McEwen and Metric Giles of Community Stabilization Project. Photo/Fresh Energy

ENERGY ACCESS AND EQUITY

Equity and justice must be built into both the process and the outcome as we transition Minnesota to a zero-carbon economy that benefits all Minnesotans.

Fresh Energy is working to ensure that the transition to clean energy benefits everyone, with equity and justice integrated into all our initiatives and internal operations. To support this, we have expanded our focus to include innovative community development work with the goal of bridging our clean energy policy expertise with economic and community development, ensuring a just and equitable transition.

This work has led to new partnerships in rural Minnesota, including a collaboration with advocates and leaders in Crookston to take on clean energy projects that leverage new state and federal funding. We anticipate the Crookston project will result in more than 700 homes being improved with better insulation

and electric appliances. This area of work has major implications for how Fresh Energy can add value and guidance for local communities envisioning a clean energy future.

We are also continuing to work diligently to ensure Minnesota's utilities maximize the benefits of the Inflation Reduction Act for under-resourced communities. We also engaged with the Minnesota State Energy Office to guide equity-focused criteria for state-administered rebate programs.

Fresh Energy remains dedicated to advancing equity in the clean energy transition, ensuring that all Minnesotans can benefit from a healthier, zero-carbon future.

ENERGY NEWS NETWORK

Fresh Energy's Energy News Network is an editorially independent news service providing daily roundups of top energy news stories, original reporting, and cross-collaboration with media partners around the country.

The Energy News Network (ENN) continues to help drive the national conversation on the clean energy transition, providing credible and fact-based coverage on stories that might otherwise go untold.

This was the first full year of the Energy News Weekly email newsletter, which was soft-launched in the fall of 2022. Intended to provide a more reader-friendly entry point, the Weekly now has more than 8,500 engaged subscribers and has contributed to growth across ENN's entire newsletter portfolio.

With a deep commitment to collaboration, ENN partnered with Northern Community Radio in Bemidji

on a news series featuring industrial decarbonization, helped facilitate neighborhood-level climate reporting in Detroit, and led a national nonprofit news collaboration on racial disparities in rural America.

ENN's reporting continues to have significant influence, impacting policy outcomes in New Hampshire, North Carolina, and Indiana. ENN also drove coverage in the Washington Post and New York Times and was republished by outlets across the country such as MinnPost, Connecticut Mirror, and Appalachian Voices.

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FEATURED EVENT | BENEFIT BREAKFAST

HOPE IN ACTION

Driving change for climate solutions.

SIGN UP NOW for Fresh Energy's Benefit Breakfast
October 9, 2024 at 8 a.m.



Scan to visit
[fresh-energy.org/
benefitbreakfast24](https://fresh-energy.org/benefitbreakfast24)
to learn more and
RSVP.

Register to join **Fresh Energy and Dr. Ayana Elizabeth Johnson** for an inspiring and honest conversation about how we can find optimism in climate solutions.

Dr. Johnson is a nationally acclaimed marine biologist, policy expert, and author. She is co-founder of the nonprofit think tank Urban Ocean Lab, co-editor of the bestselling climate anthology "All We Can Save," and author of the forthcoming

book, "What If We Get It Right?: Visions of Climate Futures."

Join us and learn why Fresh Energy's work taking on some of the biggest decarbonization challenges is inspiring Minnesotans to have hope for the future.

RSVP:
fresh-energy.org/benefitbreakfast24
\$125 suggested minimum donation



**FEATURED
SPEAKER**
Dr. Ayana
Elizabeth
Johnson

COME EARLY, STAY LATE! The Fair of the Future all-electric showcase will be open from 7:30 - 8 a.m. and 9:30 - 11 a.m.

For information on sponsoring the Benefit Breakfast or becoming a table captain, please contact Meggie LaValley at lavalley@fresh-energy.org or 651 726 7561.

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