

# **3.A. General Manager Summary of Budget Process, Renewable PPAs, & Alternate Scenario Next Steps**

# GreatBlue Customer Research on Alternate RE Scenarios | Final Survey Draft

**Prior to this survey, were you aware that RPU set a goal in 2019 to deliver 100% net renewable electricity by the year 2030?**

Yes

No

This next section of the survey will focus on your awareness of and perceptions toward RPU’s goal to provide 100% net renewable electricity. When answering the following questions, please keep in mind the following definition of net renewable energy:

100% net renewable energy means all electricity used over a year is matched by renewable generation, though not necessarily hour by hour or day by day. Other energy sources will still be used during periods of low renewable output to ensure reliability, as long as total use is offset annually with renewable energy credits or the equivalent.

**How much do you support or oppose RPU’s goal of providing 100% net renewable electricity by 2030?**

Strongly Support

Somewhat Support

Somewhat Oppose

Strongly Oppose

In 2023, Minnesota passed the Carbon-Free Standard, establishing legally binding carbon-free electricity goals for all utilities, including Rochester Public Utilities. For municipal utilities like RPU, the law requires:

- 60% carbon-free electricity by 2030
- 90% by 2035
- 100% by 2040

Like RPU’s existing net renewable energy goals, these targets are measured by matching annual electricity use with carbon-free energy generation. While both sets of goals aim for 100% clean electricity, RPU’s original plan targets 100% by 2030, and the state’s law steps up more gradually and targets 100% by 2040.

**Before this survey, were you aware that Minnesota established the Carbon Free Standard?**

Yes

No

This customer research is scheduled to start Aug 11 and results will be complete by Sep 15.



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## We'd like your input. Which renewable energy goal do you prefer RPU to pursue?

Since RPU's goal was originally established, rising energy costs and changes to federal tax laws have significantly increased the costs of both renewable and non-renewable power generation. As a result, RPU is evaluating whether to stay the course toward the original 2030 goal or to adjust the timeline by aligning with the State of Minnesota's Carbon-Free Standard, which requires 100% carbon-free electricity by 2040.

### Current goal – 100% net renewable by 2030

This option aims to achieve 100% net renewable electricity by 2030 through a more accelerated transition. It would result in an estimated annual customer rate increase of about 6% through 2030, totaling approximately a 34% increase by that year. This pathway would reduce greenhouse gas emissions from RPU's power supply by roughly 90% by 2030, delivering earlier climate benefits and supporting stronger environmental leadership. Both renewable energy goals are anticipated to maintain the same high level of reliable service.

### Alternative goal – 100% net renewable by 2040

This option follows a more gradual transition aligned with Minnesota's carbon-free standard. It would achieve 60% net renewable electricity by 2030, 90% by 2035, and 100% by 2040. Customer rates would increase by an estimated 4% annually through 2030, totaling around a 22% increase by that year. This pathway would reduce greenhouse gas emissions by about 70% by 2030, offering a balance of steady progress with lower near-term cost increases. Both renewable energy goals are anticipated to maintain the same high level of reliable service.

**I prefer the Current Goal – 100% net renewable energy by 2030**

**I prefer the Alternative Goal – 100% net renewable energy by 2040 aligned with the MN Carbon Free Standard**







# Budget, Renewables, & RE Goal Scenarios | Decision Timeline

	August	September	October	November	December
RPU Board  Other Board & Commission Meetings  <i>Potential? or Scheduled Community Engagement Opportunities</i>	5   RPU Special Budget   2026-2027 RPU Proposed Budget  11   Commence GreatBlue Customer Research  11   <i>North Star Chapter of the Sierra Club?</i>  26   RPU   Authorize Renewable PPAs   Review RE Goal & Rate Scenarios	9   Chamber LGAC   Review RE Goal & Rate Scenarios  10   Sustainability & Resiliency Commission   Review RE Goal & Rate Scenarios  11   KROC Interview?  15   Complete GreatBlue Customer Research  30   RPU   Select RE Goal & Rate Scenario   Approve 26/27 Rate Notifications   Legislative Priorities	1   <i>Local Chapter of the Center for the American Experiment?</i>  28   RPU   Approve & Recommend to Council 2026-2027 Budget, Rates & Tariffs	25   RPU	16   RPU
City Council Meetings  (SS = Study Session)	4    18   SS    18    25   SS   26/27 Budget (RPU)	3   SS   26/27 Budget  8   Authorize Renewable PPAs  15   SS   26/27 Budget  22   Adopt Prelim Budget & CIP  29   SS   Resource Plan   RE Goals & Rate Scenarios	6    13   SS    20    27   SS   Legislative Priorities	3    10   SS   Final Budget Review (if needed)  17    24   SS	1   Adoption of Budget   Confirmation of Mayoral RPU Board Appointment  8    15, 22., 29   No Meetings
Consideration & Adoption of the 2026/27 Budget   Authorize Renewable Energy PPAs   Consider Alternate Renewable Energy Goal with Rate & Risk Scenarios					



# Questions