

March 28, 2024

Mayor Melvin Carter  
15 W. Kellogg Blvd  
Saint Paul, MN 55102

Mayor Carter,

District Energy St. Paul is thrilled to partner with the City of Saint Paul to implement the Clean Heat Saint Paul (CHStP) Project. A transformative project that seeks to decarbonize our district heating system serving Saint Paul's central business district and surrounding areas by replacing up to 85 percent of its heating energy being generated from natural gas and fuel oil with waste heat recovered from Metropolitan Wastewater Treatment Plant (Metro Plant). District Energy is fully supportive of the City's application for a Climate Pollution Reduction Grant, and is committed to partnering with the City as a sub-awardee responsible for implementing and operating the heat recovery system envisioned in the CHStP Project.

Responding to the 1970s energy crises, the bold vision and strong, creative leadership of the City of Saint Paul led to the development of the nation's largest hot water district heating system, and formation of District Energy as a private 501(c)3 non-profit utility with a non-profit purpose to "lessen the burdens of government of the City of Saint Paul." Since 1983 we have been the "Model for the Nation" that was originally envisioned, and are now providing heating services to over 500 buildings and 33 million square feet of building space.

We stand ready to partner with the City of Saint Paul and the Metropolitan Council to implement another bold, nation leading project. The CHStP Project is a game changer. It will significantly accelerate the decarbonization of the heating we provide to our customers, 88 percent of which are in low-income and disadvantaged census tracts. For the past 2 years we have been actively collaborating with the Metropolitan Council's Environmental Services to evaluate the integration of waste heat recovered from the state's largest wastewater treatment plant into our heating network. The conditions are favorable and the potential is significant. The CHStP Project is forecasted to reduce GHG emission up to 33,500 tons/year beginning in 2028, nearly decarbonizing the heating provided to approximately 33 MSF of building space. There is currently no such project in existence in the United States.

The scale of the Clean Heat Saint Paul Project is not one that we, as a small 501(c)3 non-profit company, are able to self-fund. Nor is this project able to use some of the great tools that were included in the Inflation Reduction Act that are advancing other clean energy projects. We believe that the EPA's CPRG Program is ideal for a transformative project such as this. If the City is awarded a CPRG Implementation Grant for the CHStP Project, as a subrecipient District Energy St. Paul will be fully committed to managing the design and implementation of the heat recovery system, engaging with communities, and operating the completed system in collaboration with the Metropolitan Council and the City of Saint Paul. Together, we can once again transform building heating in Saint Paul and model to communities across the nation the opportunity that exists to do the same in theirs.

We are incredibly grateful for our longstanding partnership with the City of Saint Paul, and for the collaboration with you and the Metropolitan Council that has brought us to this pivotal moment and outstanding opportunity.

Sincerely,



Ken Smith  
President & CEO