

### Clean Energy Commission Meeting Minutes for February 5, 2013

**Special Meeting:** Discussion with DPW re shifting use of Green Community funds, which were to be used for Ameresco (Energy Services Performance Contract), for National Grid efficiency projects. **Present:** Candace W, Jim Hafey, Tom Balf, Dave Anderson, Ben Earle, Mike Hale, John Rockwell, Gregg Cademartori, Linda Brayton, Sam Cleaves, John Moskal, Maggie Rosa

Discussion of past plans for Green Communities (GC) funds: had been intending to use for projects in the schools, then CEC and DPW had discussed using GC funds for an Energy Services Contract (ESCO) with the vendor selected through an MAPC request for qualifications, Ameresco Inc. The GC funding would be used to pay down costs of energy conservation projects in municipal buildings done through the ESCO approach, and/or to have a reserve to pay Ameresco for investment grade audit if City decided not to pursue the projects with Ameresco.

DPW has been working with Siemens on projects through the National Grid incentive program, and would like to shift GC funds to further offset costs of those projects. A shift would require an amendment of the City's GC contract with Mass. Dept. of Energy Resources. (Mike Hale seems unaware that the GC money had been designated for an ESCO in our GC contract, after the presentation by Ameresco to CEC and several City Departments). However, City had never officially signed onto an ESCO agreement with Ameresco Inc.

National Grid projects in Gloucester: heating drives; lighting at O'Maley, pre-school and elementary schools; High School lighting; now doing non-school City buildings such as library (lighting). John Rockwell is tracking energy use in these buildings through analysis of monthly utility bills before and after the projects, to determine energy savings.

Cost share from National Grid on lighting and controls projects: a count is done on per fixture basis. City share of cost is added onto school operating budget via utility bills over 24 months, so no up front capital costs to City.

John R: need better communication between DPW and John, and need baseline energy use information from DPW. Could Dave Anderson attend CEC regularly? Strategize energy reduction and coordinate with DPW? Mike Hale: Can get info for John Rockwell on utility accounts, including gas accounts. John Moskal: baseline energy was done in 2009; that was baseline for GC 20% reduction goal.

National Grid FY13 projects would be: Library, DPW, GHS and O'Maley: by 6/30/13  
FY14: Plum Cove, East Gloucester Elementary, Veterans Elementary Schools; Rose Baker Senior Center, Waste Water Treatment Plant. Siemens will work on controls for newly renovated systems and for new schools. National Grid may offer boiler replacement programs in future; no program available now. (New boiler needed at City Hall and Beeman School).

National Grid work is tied to past energy usage audits for past work; additional audits planned for FY 13 during Feb school vacation. The Nat. Grid audits are free of cost for City. Audit cost for ESCO would have been \$40K: 4 cents a foot at 1 million sq. ft. City would have to pay directly for audit only if it did NOT proceed with projects identified through audit. If City did proceed with ESCO projects, audit cost is rolled into overall ESCO financing of projects, with expectation that payback is in effect financed by energy savings from efficiency projects.

How would GC money be used in Nat. Grid incentive projects? \$751, 973 is total cost for FY 13 work, minus \$242, 562 discount from National Grid leaves about \$500 K balance, minus administration cost + DPW \$49K contribution, and \$175 K from Green Community= \$285K remaining balance to be paid over 2 years via adding to City electric bills. Additional savings to come from reduced energy usage due to projects.

Long-term capital plan to replace large equipment: some work was triage and had to be done immediately but there are long term plans to replace boilers. There is a need to get overall planning picture in place for both CEC and DPW. CEC expressed fear that long-term energy capital planning would not be done without the process provided by an ESCO-type approach, where all municipal buildings and facilities are audited up front to identify and priorities energy efficiency needs/opportunities.

Mike Hale: City IS doing 5 year capital planning, but sometimes urgent problems trump planning. City chose to do O'Maley fix for \$200K vs. \$ 4 million projected original cost to replace air system. This was triage.

Tom B.: Need to establish project-based communication between DPW/CEC.

Need to incorporate all new savings in our energy tracking: Wastewater Treatment Plant (WWTP) and work already done needs to be tracked in terms of energy savings toward GC 20% goal. Information will be obtained from Veolia Environmental, which operates WWTP and 3 drinking water plants, and from Woodward and Curran, which operates sewer lift stations.

Gregg C: What's the sense of energy savings for these Nat. Grid projects? There is no other future project lined up for CEC to make progress on achieving our GC 20% goal, so we need to communicate better with DPW on how City can get there via Nat. Grid projects. DPW estimated 4.5% savings off of current city energy use from FY 13 projects.

CEC noted emerging sense of the meeting is that City may be interested in financing for energy efficiency **NOT** using ESCO; incentives via utilities may be better route. John R: National Grid incentives could achieve the savings we need in order to be eligible for next GC grant round. Could use next round for a streetlight ESCO; or use next round for single boiler (\$250K).

Tom Balf: How about proceeding with acquisition and LED conversion of streetlights? Mike Hale: Can't take on streetlights w/o maintenance system in place. Would need to provide a

maintenance budget, and do RFP bid for maintenance services, and would also have to deal with union issue (they get first crack if they can do maintenance work it for less than low bid). Timeline for these steps is tricky. To have numbers for a streetlight maintenance budget in June, would have to submit proposed budget to Mayor in Feb. after time consuming union negotiations. So we are already too late for 2013. Addition of a local street light maintenance budget item will be perceived to compete with Police, Schools and Fire budgets, (even though maintenance cost would actually be offset by savings on our National Grid bill, due to streetlight acquisition from Nat. Grid), so it may be politically difficult to get a streetlight maintenance budget approved.

Motion was made to proceed with streetlight acquisition for FY 2014 or 2015, working with DPW over the next 6 months to get that done. CEC unanimously voted to approve motion.

DPW agrees to attend CEC meetings; Mark Cole, Dave Anderson or Jim Hafey would represent DPW.

Motion to accept National Grid Enhanced Muni Phase incentive projects, proposed by DPW, as the way to do energy efficiency improvements in City buildings for the time being, and to approve use of GC funds of approximately \$175K to offset Nat. Grid project costs, and to authorize John Rockwell to work with DOER to amend GC authorization accordingly. Motion was unanimously approved by CEC.

Motion to authorize an appropriate administrative amount for CEC staff salary to come from remainder of GC funds. Motion was unanimously approved by CEC.

City Hall: John Moskal: do building envelope prior to new boiler to prevent over-sizing of boiler; gas conversion may be done for free via National Grid, or could be rolled into next phase of Nat. Grid work. If the city kicks in capital \$, the rest can be done with on-bill financing via the Nat. Grid incentive program terms. National Landmark status for City Hall would make it eligible for funding for heating overhaul.

CEC and DPW agree that DPW will provide a tour of what's been done at WWTP and schools. Planned tour date is 2/28/13, meet at City Hall at 1 PM.

DPW will tabulate energy results of projects, and think of ways that the CEC can help: publicity, \$, etc.

Next regular CEC meeting: March 21, 2013

Respectfully submitted, Sam Cleaves

(These Minutes were approved by vote of the CEC on Feb. 27, 2014)