

**Minutes of the Clean Energy Commission Meeting
Oct. 27, 2016, First Floor Conference Room City Hall
(approved at the Meeting of January 26, 2017)**

Attending: Commissioners: Linda Stout-Saunders, Paul McGeary, Linda Brayton, Candace Wheeler (chair), John Moskal. (Absent: Bob Myers, Tom Kiely).

Staff: Matt Coogan

Consultant: Stefano Loretto and Gary Fogelman of Good Energy LLC (by phone)

Public: None.

Ms. Wheeler called the meeting to order at 7:36pm in First Floor Conference Room, City Hall

On a motion by Ms. Brayton, seconded by Mr. Kiely, the minutes of the meetings of April 28, May 26, June 30 and August 11 were approved unanimously.

Approval of the minutes of the meeting of March 24 was continued to our next meeting.

Member reports

TIDAL ENERGY CONFERENCE: Ms. Wheeler reported on the conference sponsored by the North Shore Technology Council and entitled "*Harvesting River and Tidal Energy – A Sustainable, Local, Low-cost Approach*," that she and **Ms. Brayton** had attended in Peabody on Oct. 26. The conference included a presentation by Littoral Power Systems, which is developing a system to harness river and tidal power to generate electricity. **Mr. Moskal** asked if the technology presented was "for real." **Ms. Wheeler** responded that it was a new technology and would face the problems that all new concepts encountered: regulatory and business obstacles, for example. The technology was developed through a grant from the U.S. Dept. of Energy and the Mass. Dept. of Energy Resources (DOER), and a prototype will be installed in the Cape Cod Canal and tested in 2017. Existing tidal power equipment is usually huge turbines which are expensive to buy, transport, install and maintain. These large turbines require deeper locations, special boats for transport, and have more potential to obstruct navigation. In contrast, Littoral's technology uses smaller standardized modules that can be linked in racks to match the site and the power demand of a user (such as an island, a municipality or an industrial plant). The smaller size of the turbine modules means that they can be transported and installed by fishing boats, creating a new role for boats in a time of restricted fishing.

Ms. Stout-Saunders asked if the technology was being marketed as renewable energy. **Ms. Wheeler** responded that it was. **Ms. Stout-Saunders** inquired as to the anticipated payback for investment in the tidal energy proposal. **Ms. Brayton** responded that for existing tidal and river turbines, the cost of generation would be very high, about \$1 per Kilowatt hour, but that it was anticipated that Littoral's modular turbines would bring that cost down. She emphasized that the concept was modular, meaning that individual units could be joined together to make a scalable installation. **Mr. Moskal** asked if the technology was "behind the meter"--meaning for use by an individual entity or wholesale, meaning it was being generated to the exported to the grid. **Ms. Wheeler** indicated that it was being marketed for direct-use by commercial or industrial customers—that is, behind the meter.

Action Item: **Ms. Wheeler** said she would distribute the PowerPoint presentation from the conference to the commissioners.

CPACE ENERGY IMPROVEMENT FINANCE PROGRAM: Ms. Stout-Saunders reported that a bill authorizing Commercial Property Assessed Clean Energy (CPACE) program in Massachusetts had been passed in August. Individual municipalities must opt into the program, which allows the cost of energy improvements to be assessed as a betterment and included on municipal real estate taxes (or possibly utility bills, depending on what the Guidelines provide). Guidelines and regulations for the program are still under development and are to be ready in January, she said. She said this approach was attractive to businesses because taxes, unlike loans, are not carried on a company's balance sheet. The Mass. Development Finance Agency would have to approve any project and that mortgage holders would have to approve it as well, and Mass Development may have funds to be a "bridge lender" for projects funded through a PACE arrangement. Linda added that **CEC member Bob Myers** and Bill Tobin from Rockport had also looked into the program.

She reiterated that the city must agree to participate in the program, but its role would be limited to bill, collect and remit payments to the appropriate parties for the cost of the project. **Ms. Wheeler** asked whether non-profits could participate in the program, as Susan Hoague hoped that local churches would be able to finance energy projects through PACE. **Ms. Stout-Saunders** said that the regulations were still being developed, and advised that it would be premature for the CEC to recommend to the City Council that Gloucester adopt CPACE.

ELECTRIC VEHICLES: Mr. Coogan reported that MassEnergy had negotiated a discount program for leasing or purchasing electric vehicles, and that this rebate/tax incentive program will begin Nov. 2 and run through Feb. 28. New buyers or leasers of energy efficient automobiles will be eligible for both discounts on the cars and federal and state tax credits. Examples of cars that will be eligible are the Nissan Leaf and the Chevy Volt and Bolt. Tax credits can be as high as \$7,500 from the federal government and \$2,500 from the state. A discussion ensued on enlisting Town Green 2025 to help publicize the program through its monthly column in the Gloucester Daily Times and its Energy Fair slated for April. The MassEnergy website will have information on the electric vehicle discount program.

Discussion with Good Energy Co. on public outreach for Community Aggregation program and scheduled DPU hearing on the proposal.

Mr. Coogan reported that our aggregation plan will go before the state Department of Public Utilities on Nov. 7 in Boston, along with plans from other area communities that are working with Good Energy through the MAPC group procurement (Arlington, Winchester and Sudbury). The hearing will be held at 2 p.m. at South Station. **Mr. Loretto** and Good Energy's attorney will make the chief presentation to the DPU, but members of the commission are welcome to attend, and Candace Wheeler will represent the Gloucester CEC at the hearing. Assuming the DPU gives a "notice to proceed," Good Energy hopes to go out for bid in November.

Mr. Loretto said that the umbrella organization for our various energy efficiency efforts will be "GLO Green 2017," and the specific initiative for energy aggregation will be called the "Gloucester CEA (Community Electric Aggregation). The other program under the GLOGreen2017 umbrella (to encourage residents and businesses to use the MassSave energy efficiency incentives) will be named "The Gloucester Energy Challenge. Once the DPU approval for the Community Electric Aggregation has been received Good Energy will meet with the City Administration to finalize the campaign. He said the CEC should have a representative at that meeting.

The first task, **Mr. Loretto** said, would be to establish the parameters for an acceptable bid. He suggested 9 cents per kilowatt-hour would be our target ceiling for bids. **Mr. Moskal** asked how the target bid price had been established. **Mr. Loretto** said the 9.7 cents per kilowatt-hour rate was an already established rate for the winter months. Our goal is to beat N-Grid's winter rate AND have a higher proportion of Green Energy than N-Grid's standard electric supply.

Mr. Loretto said that the city would have the option of refusing any and all bids if they were not sufficiently attractive. It might also delay the solicitation of bids to a later date if the DPU's order allowing the aggregation to proceed was delayed. Assuming DPU issues its order in a timely fashion (the goal is within five weeks of approval), our goal would be to have aggregation in place in time for the January utility bill.

Asked what the impact would be of a delayed solicitation of bids, **Mr. Loretto** said, that it might lead to higher rates, though a mild winter could offset that tendency. He said that Good Energy would stress to the DPU the urgency of a timely order in order for us to keep on our schedule.

Marketing effort

Commissioners asked about the marketing effort that would support the aggregation campaign—especially given the quick turnaround envisioned by Good Energy. **Mr. Loretto** said that the effort would include public meetings and asked that the commission identify organizations or entities with whom to speak. He asked that the commissioners identify public gatherings that we could target and asked that we “put some dates on the calendar” and book venues if necessary. Matt Coogan had compiled the CEC's ideas for marketing the CEA, and answered a Good Energy questionnaire re marketing strategy. **Mr. Loretto** and **Mr. Fogelman** said that the materials Matt submitted were the most thorough that Good Energy has ever received.

Mr. Loretto said the development of a web site was ongoing and that he would circulate the URL so that commissioners and staff could test it once it is ready.

Given the rapid pace envisioned, **Mr. McGeary** asked whether the 30-day opt-out period could be extended. **Mr. Loretto** said it could not. **Ms. Stout-Saunders** then asked if people could opt out after they had been switched. **Mr. Loretto** said this is technically called a “termination” and could be done at any time with no penalty, though there would be a pro-rated charge if people opted out of the program at mid-billing cycle.

Ms. Brayton noted that she was a “Green-Up person” as are many other Gloucester residents, and she wondered how Green-Up participation would affect inclusion in the CEA. (Under the Green-Up program, a customer pays a bit more to have ALL their electricity come from renewable sources, rather than from the N-Grid standard supply). **Ms. Brayton** asked if Green-Up customers would be automatically included in the aggregation pool. **Mr. Loretto** said she would NOT be, as she received her electricity from a competitive supplier, but that she could call her supplier and tell them to enroll her in the program. Alternatively, she could leave the Green-Up program, and the next month, N-Grid would re-classify her as eligible for CEA. He said she would not face a termination penalty because she has basic service, but that customers of other competitive suppliers would have to be aware of any termination penalties under their contract with that supplier. He said part of the program would be to have resources available to answer questions for people on an individual basis to ensure that they carefully examine the impact and timing of a switch to our chosen supplier. He noted that National Grid updates “newly eligible accounts” whenever someone switches to its service and therefore becomes eligible for aggregation.

Ms. Stout-Saunders asked how the program would advertise the web site. **Mr. Loretto** said that print media, social media, public meetings, including presentations to the City Council would all be part of the mix.

Mr. Fogelman said it would be premature to advertise the web site until a bid had been accepted and a rate established. **Mr. Coogan** said that a 30-day public awareness campaign prior to the commencement of the program was envisioned. **Mr. McGeary** noted that we could start reserving rooms for meetings, just to be sure of having a good venue when the time comes. We can always cancel the room booking if the start-up of the program is delayed.

Action items

- Provide website URL for testing (**Mr. Loretto**)
- Identify public meetings or events at which to promote the Community Energy Aggregation program and complete CEA Questionnaire.

Discuss status of CEC/Town Green 2025 promotion of local participation in MassSave energy efficiency audits and projects

Mr. Coogan provided a handout describing the requirements and rewards of the program. He noted that the application to participate in the program had to be submitted by Nov. 1. He said the city's application was modeled on one used by the City of Melrose. He said the determination of which municipalities would participate would be made by Jan. 15 and that the program would begin on Jan. 15, 2017 and run through Dec. 31, 2017. If all the goals are met, the city could receive up to \$41,000 in grants to be used for energy efficiency projects. (See documents available upon request to CEC: "*NGrid Community Initiative 2017 Goals for Gloucester*" for a complete list of goals and incentives, and "*Gloucester Community Initiative Application November 2016* to view the completed application.)

Mr. Coogan said part of the effort will be to publicize the program, for which he hopes we can partner with Town Green 2025 to provide the outreach. Among the benchmarks to be achieved in that period is completion of 1,400 energy assessments. **Mr. Coogan** said that the mayor and the administration were supporting the program and described the outreach efforts to be undertaken as part of the process.

Ms. Stout-Saunders asked whether small businesses were eligible to participate in the program. **Mr. Coogan** said that they were, along with residences with up to 4 dwelling units in them.

Ms. Brayton suggested that a point be added to the application outreach plan concerning liaising with Action Inc., which does many energy improvements for low-income persons in the city. She wondered if Action's effectiveness might be one reason why the MassSave participation rate is so low for Gloucester, as Action has already done energy improvements on so many homes meeting their eligibility requirements.

Ms. Stout-Saunders asked when the program would begin. **Mr. Coogan** suggested that the program would be low-profile until after the energy aggregation program is completed and would get under way in the first quarter of 2017.

Mr. Coogan noted that no specific Home Performance Contractor (HPC) was identified in our application. He said that the work would be shared among local contractors and HomeWorks Inc. if possible. The city could issue an RFP for contractors or work through MassSave's accepted contractors list to provide the services to homeowners and small businesses.

Announcements

Mr. Coogan announced that there will be a solar energy installation on the roof of the state fish pier building, which is currently being renovated.

Mr. Coogan said the LED street lights installation is 99.9 percent done. Installing LED decorative lights on Main Street is the next up.

Mr. Coogan noted that the city's housing production plan is in draft and will be available in the next month or so. Part of the plan will focus on residents taking part in MassSave to increase energy efficiency and decrease housing life-cycle costs.

Ms. Stout-Saunders asked about the state of a draft solar energy ordinance for the city. **Mr. Coogan** said the ordinance would cover solar as a primary use of a site, as rooftop solar is already allowed as an accessory use. He said there were no requests for such an installation pending, so a draft solar by-law has been slow to evolve. **Mr. Moskal** pointed out that an identified customer base is a pre-requisite for a solar farm project. The City can't be the customer, as its municipal load has already been met through the wind turbine project. **Ms. Stout-Saunders** noted that once CPACE is available, it could be used to finance community solar farm projects with community residents as customers, so if we adopt CPACE, we should fast-track the development of a ground-mounted solar by-law. She also noted that the best opportunities for a solar farm would be in the Blackburn Industrial Park, and the new development at the Fuller School site. She asked whether the proposed plans for development at the Fuller School property would include solar power. **Mr. McGeary** said he would query the developers (Windhover, Sam Parks)

Action items

- Inquire into the use of solar at the Fuller property (**Mr. McGeary**)

Next meeting

The next meeting of the commission was set for Dec. 8 at 7:30 p.m. in the First Floor Conference Room at City Hall.

Adjournment

On a motion by **Mr. McGeary**, seconded by **Mr. Moskal**, the commission voted to adjourn at 9:24 p.m.

Documents referred to in the meeting, available upon request to CEC:

- *CEA Marketing Capabilities*
- *CEA Questionnaire, Master*
- *NGrid Community Initiative 2017 Goals for Gloucester*
- *Gloucester Community Initiative Application November 2016*

Respectfully submitted,

Paul McGeary