

**Ann Arbor Energy Commission – Meeting Minutes**  
**March 10, 2009**  
**Washtenaw County Administration Building**  
220 N. Main St. 5:30-7:30 PM

**Attendees:** Robert Black - Commission Chair, Mayor John Hieftje, Bill Verge, Wayne Appleyard, Chuck Hookham, Dina Kurz, Josh Long, Fulter Hong, Stephen Miller, David Wright, and Mike Delaney.

**Staff:** Andrew Brix, Merry Tondro

**Approval of Minutes**

Motion from Commissioner Appleyard to approve the Minutes. Seconded by Commissioner Delaney. Minutes were approved.

**Public Input** – None.

**Energy News**

*Energy Office Updates*

- Andrew Brix attended the Michigan Wind Energy Conference was held by GLREA last week from March 3<sup>rd</sup> – 4<sup>th</sup> in Detroit. He was able to speak to many wind industry representatives about the City's future wind energy purchase. A workshop to discuss feed-in tariffs will be held on April 1, 2009. Additionally, there will be PV training for code officials, such as building inspectors, on April 20<sup>th</sup> at the Washtenaw Community College. A link to registration for this workshop will be on the City's Energy website. The City of Ann Arbor Earth Day fair will be held April 26<sup>th</sup> at the Leslie Science Center. Booth registration is due at the end of the month. The Energy Commission will once again have a booth to reach out to the community.
- Commissioner Black noted that there is an opportunity to open up a larger dialogue on energy through the International Consortium on Local Environmental Initiatives program. He will discuss further details at the next Energy Commission.
- Commissioner Delaney noted a few energy news items. There is a clean energy prize competition at the University of Michigan. The finals are on March 20<sup>th</sup> from 1pm to 5:30pm. The total prize pool is \$100,000, with \$65,000 going to the winner.
- Mayor Hieftje noted that his work with the Michigan Climate Action Council is complete. The report which was drafted will now be passed along to the Governor.
- Commissioner Hookham stated that he is now working on a wide range of green energy projects, including wind, solar, biomass, and geothermal.
- Commissioner Black asked if any other Commissioners had news related to the New Apollo program, which is a program between eight states to set up jobs related to energy efficiency, construction, and renewable energy. No Commissioners had additional information.

## **Ann Arbor Community Updates**

- Energy Futures Film Project Update: Andrew Brix said that the project is now a video blog base. Working on starting a series of interviews with local energy officials. The hope is to build this over time to a full film festival in the future. Commissioner Black also pointed out that the Miller's Creek film festival will take place Friday, March 13<sup>th</sup> from 4:30 to 6:30pm.
- Energy Efficiency Master's Project Presentation: Joshua Brugeman a graduate student in Urban Planning from the University of Michigan came to give a preliminary presentation of his Master's Project work which focuses on residential energy efficiency programs across the country. He noted that his recommendations were still being refined and that next month he would give a second presentation with finalized recommendations, but he thought that in light of the incoming stimulus money, a preliminary presentation may be helpful to the Commission. He presented short-term, mid-term, and long-term recommendations. For the short-term, Joshua recommended generating a demand by creating a dedicated website for residential energy efficiency. He also recommended signing up to be a partner with Home Performance with Energy Star program. You do have to prepare a plan to be a partner, but you'll be doing most of this legwork anyway to establish the program. A next step would be to build a network with local trade and contractors. Also, the placement of rebates in local stores as a way of building this network and providing local business. It is also important to build the human capital capacity on City staff. Government regulation also plays a key role; some of the case cities that Joshua looked at have handbooks for how to process the permit for a solar installation, wind turbine, etc. Also some cities offer reduced processing times or permit fee waivers for this type of development. Other useful tools include: low interest home-improvement loans, capital deferral program (take the capital cost of retrofits and tack it onto your property tax bill, so it follows the land rather than the owner), complimentary weatherization service, and a thermostat program to help with peak energy demand. Joshua also emphasized that community education is key – often times having a home energy rating system helps raise homeowner's awareness. The City of Ft. Collins has been able to work with their privately-owned municipal utility company and to combine their mail code list with energy usage data to provide the consumer with a power intensity metric. This allows the consumer to see both their own behavioral consumption and the building consumption. Often times, the most successful programs are in areas with publicly-owned utility companies. There are also building code regulation opportunities. The City of Berkeley has a regulation on their books that says every time a house is sold it must be brought up to code. This can be a difficult regulation to pass, but Berkeley has found it's to be successful. Joshua then opened up the floor to any questions from the Commissioners.
  - Mayor Hieftje said that he appreciated the work that Joshua had done with this, but noted that unlike the rest of the nation, Michigan has been

in a recession since 2002, so acquiring additional staff for these recommendations isn't feasible in the near future.

- Commissioner Bing also noted that the City did try to sign up for the Energy Star Program, but they required quite a bit of upfront funding from the City to participate in the program.
  - Commissioner Black thanked Joshua for this information and he encouraged him to remain optimistic and continue to give us information about the ideal recommendations. We can dovetail these into other existing plans.
  - Commissioner Hookham stated that with the approaching Block Grants, we should also consider the sustainable return on investment and perhaps should apply that to these recommendations.
  - Commissioner Delaney stated that DTE has a MyEnergy Analyzer tool available online for consumers to gauge their usage. DTE also has a similar thermostat control program and a Smart Meter pilot program for 10,000 meters. Commissioner Delaney also urged that we consider how each of these recommendations can contribute to the creation of green jobs.
  - Commissioner Wright asked if Joshua could clarify the difference between behavioral and building consumption. Joshua responded that this feature of metering differentiates between the users habits and the performance of the building itself. It helps show the user where most of the energy is being consumed.
- State Legislative Update: A bill was introduced in the House legislature last fall that would offer property tax abatement for renewable energy systems, but it didn't gain traction. However, a similar bill was reported out of committee this week. This is another little piece of the financial pie that makes these systems more attractive for consumers.
  - DTE Rate Case Update: Commissioner Wright said that the City and the Ecology Center had intervened in the 2008 DTE Rate Case looking to establish a rate for renewable energy. The MPSC did not grant the case, but noted that DTE would be making changes to their voluntary program with their upcoming RPS filing. Currently, DTE has filed a rate case update with the Michigan Public Service Commission (MPSC) and the Ecology Center has intervened in that case. There doesn't seem to be any changes or modifications to the Green Currents Program. This gives us an opportunity to go back in and ask again for the Commission to reconsider the creation of a voluntary rate that would promote renewables. The Ecology Center is interested in working with the City on this issue.
  - Environmental Commission Update: Commissioner Wright said that they have requested that Andrew attend a future meeting to inform them on energy efficiency efforts in the City. Andrew also noted that the idea of a new lighting ordinance that would be Dark Skies friendly is back on the table. The draft model lighting ordinance has been released for comment, and Matt Naud is organizing a meeting on April 3<sup>rd</sup> as an opportunity for Energy, Environmental, and Planning Commissioners to get together to discuss this draft.

- Energy Conservation and Environmental Sustainability Issues and Activities:  
Commercial and Residential Audits: Commissioner Bing said over 100 applicants for the Environmental House's home energy auditing program. Commissioner Bing said that he will likely have a presentation set-up to provide the Commission with more information on the residential audits in the future. Commissioner Appleyard discussed the commercial audits through the DDA. He went on to say that there are a number of organizations that are doing energy audits for DDA and the first round should be complete by the end of this month. The DDA plans on having another round after this one is completed. Commissioner Black suggested that perhaps we could post online a profile for a few different typical houses in Ann Arbor. Andrew Brix noted that if we do this we will need to be sensitive to privacy issues regarding the usage information.
- Building Codes/Guidelines/Recommendations: Andrew Brix said that A2D2 updates were presented to Counsel last night. It's going ahead, but that he was unsure of the timeline for it to go to Council.
- DTE Energy Optimization Plan – Emmet Romine: Andrew Brix stated that Emmet was instructed not to speak publicly until the MPSC makes a ruling on the Plan, so he was unable to attend the Commission meeting.
- Mayor's Energy Challenge Update: Andrew Brix gave a short presentation covering the Municipal Operations and the Progress and Forecast for future numbers. It included a breakdown of the percentages of electricity, natural gas, and transportation energy used by the City's municipal operations that came from renewable sources. Mayor Hieftje asked if the figures provided included the effect of the hybrid buses. Andrew Brix said that they did not, largely because to date the AATA numbers have been kept separately. However, they could be added in easily. Commissioner Hieftje also noted that the deadline for the challenge is December 31, 2010, so there is still time. Commissioner Long asked if Andrew could provide some more clarity on the numbers provided in the presentation – do the percentages include conservation measures? Andrew responded that no, the percentages were purely used energy. Commissioner Black asked if Andrew could confirm that it looks like the City will have to purchase green energy credits to meet the goal. We've been looking at several mechanisms. We could sign up for DTE's Green Currents program. The reason we haven't done this yet is that we know it will be a cost-plus solution all the way out – we will always be paying for our coal-based electricity plus our renewable premium on top of that. The ideal situation would be to do a long-term fixed-priced contract. This was partly our rationale for intervening in the rate case. There's also a contract for differences, which is a financial mechanism with a third party whereby they sell us the RECs at a fixed price and we hedge that against our actual electricity prices so we continue to buy electricity from DTE and we pay a premium or are paid a rebate from the third party provider depending on where our actual electricity prices sit relative to the contract price that we negotiated. It's a complicated arrangement - there are a lot of details to be worked out. Commissioner Hong asked where the trends would lead us if we choose not to do a green energy purchase. Andrew Brix said that there would be a slight increase in bio-fuel use, more solar projects,

maybe some wind projects, and so forth, but they end up being pretty small pieces in comparison to the green energy purchase. We may be able to make 40% on the electric side and 20-25% overall, but we'd be hard pressed to make the 30% goal without the renewable energy purchase.

- Solar America Cities: Andrew Brix stated that the Energy Office is working on studying the feasibility of installing a solar emergency back-up system. Andrew noted that he and Mayor Hieftje will be traveling to Austin shortly to see how we can progress further on this program. Mayor Hieftje noted that there's an effort among the solar cities to make the program as sustainable as possible. Also, there is hope that the current federal Administration will provide more substantial funding for this.
- 5,000 Solar Roofs Update: The goal is to have 5,000 solar roofs in operation before 2015. Andrew pointed out that most of the informational resources are in place and now the financing mechanisms must be put in place.
- Solar Access Zoning: Commissioner Black stated that he believes this is key. We should work to provide some sort of protection for the solar aperture to make sure that the infrastructure remains in use. This allows people with solar devices to be protected in the future. Commissioner Black said that he was wondering if we could get a local attorney to get involved in this project. Commissioner Hieftje suggested that adding someone from City planning staff would be helpful. Commissioner Long stated that he sees a lot of potential for solar access zoning, but we need to be careful that we really deliberate on this because there are some issues that may come into conflict in the future. For example, the more density you have in a city, though it's an energy saver, it will affect how you write your solar access laws.
- AAEC Subcommittee Updates: Energy Plan: Commissioner Hookham said that they're trying to put a meeting together for this. It's still under discussion.
- AAEC Subcommittee Updates: Outreach Plan: Commissioner Kurz noted the nexus between the outreach plan and the plans for the Energy Block Grants. Commissioner Kurz noted that to do a really robust community education action may cost anywhere from \$500,000 to \$1,000,000 and so there are financial resource issues with completing a really effective program. We also need to carefully consider exactly what we want to accomplish, what is the assumption about how people will change their behavior after this education effort. We may be able to use neighborhood groups as a means of spread the conservation on this issue. Commissioner Black said that one of the challenges right now facing everyone is finding enough resources, but we'll have to find another way, even if we can't secure \$1,000,000 to do it.
- AAEC Subcommittee Updates: Funding for Energy Conservation and Renewable Energy: Andrew gave a presentation that discussed key program options with additional details provided for three specific program types. The presentation also includes some "next steps" options. Andrew Brix said that the Block Grants require the most legwork and are most useful for us as a City. We are still awaiting DOE guidance for specifics. We know how much money is committed overall, but there isn't a formula set out yet for how much exactly we will receive. We know that we will have two months to submit a project plan

before we'll actually get to use the money. Andrew reviewed what activities are covered under the grants. He then shared a matrix of approximately ten proposed programs and projects that could qualify for funding under the DOE limits. He focused on the rest of the presentation on three specific programs: 1. Community Energy Financing Program – bonding to finance improvements so that we can offer a low interest loan to a property owner to complete some improvements; 2. DDA-Style Audit+Rebate Program – the assumption for these savings include both commercial and residential audits; 3. “Crash” Audit+Improvement Program – this might require that a local provider order quite a bit more equipment than usual in order to prepare for this, which will require some planning. Plus, two other noteworthy options are awareness and education and expansion of the getDowntown Program Expansion. Andrew asked for input from the Commission.

- Commissioner Hieftje asked why the LED streetlight payback was listed as longer in this presentation than it has been for the downtown. Andrew Brix responded that the longer lifetime takes into consideration the slightly increase in maintenance costs with so many new LEDs being added. Andrew Brix also stressed that these are cautious estimates.
- Commissioner Miller said Andrew mentioned job creation, and we should consider that the LED expansion will not only increase jobs here for installation and maintenance, but it will also create jobs in the manufacturing industry as demand for the LED bulbs increase. He said he felt that the LED streetlight program was the most proven, reliable option on the list.
- Commissioner Wright said he always heard efficiency is the best bet and then renewables, but the education program option seems to be up to 10 times better than efficiency improvements. How were these numbers reached? Andrew responded that the assumption was that 1 in 10 people will make a 5% reduction in their energy use after education. This reduction could be just behavior change which has a zero cost. This is consistent with our findings in the recycling program, where education really comes out on top.

### **Other Business**

- Energy Commission Retreat Planning: Commissioner Long said that there had been talk during the previous week about the Commissioner's availability. It's looking like the retreat will be at the end of April or beginning of May. He's also soliciting ideas about the agenda for the retreat. Commissioner Long also noted the option of bringing in outside participants to added new ideas. There has also been talk about getting an outside facilitator.

**Public Input** – Craig Tepfer introduced himself to the Commission. He was instrumental in establishing the Wind Energy Association, then spent time working for Wind Works, and has subsequently been working in the automobile industry on advanced vehicle technology. He is currently writing a book on the

history of electricity and it's nearly complete. He offered his knowledge and expertise to the Commission at any point in the future.

**Adjourn**

The meeting was adjourned at 7:30 pm