

Ann Arbor Energy Commission – Meeting Minutes
May 12, 2009
Washtenaw County Administration Building
220 N. Main St. 5:30-7:30 PM

Attendees: Robert Black - Chair, Mayor Hieftje, Dina Kurz, Justin Long, David Wright, Jason Bing, Wayne Appleyard, Bill Verge, Fulter Hong, and Mike Delaney.

Staff: Andrew Brix

Approval of Minutes

Minor grammar corrections submitted via e-mail by Commissioner Miller. Motion from Commissioner Hong to approve the Minutes. Seconded by Commissioner Kurz. Minutes were approved.

Public Input – Eric Bruski an employee from Recycle Ann Arbor introduced himself. He is now heading up the coordination of the residential energy services programs.

Energy News

Energy Report:

- *Events Coming Up:* May 19th in Lansing is the semi-annual meeting of the Energy Michigan Group. Will be discussing state legislation updates. June 12th at 6pm is the Mayor's Green Fair in downtown Ann Arbor. June 26th – 28th is the Michigan Energy Fair in Onkama, Michigan. An excellent weekend opportunity to learn about energy.

Other News from Commissioners:

- *Mayor Hieftje:* Green Fair is coming up and some of the most exciting projects are what local citizens have been working on. It's also the start of the Summer Fest.
- *Commissioner Bing:* Attended the Green Today, Jobs Tomorrow conference. Approximately 1,400 people in attendance. There were also representatives from the federal government, which was great to see them support our state efforts. Commissioner Bing found out that there is \$82 million available to Michigan from the State Energy program. Representatives who were present noted that they would be focusing on renewables with these funds.
- *Commissioner Black:* Three schools were awarded money through the Michigan Public Service Commission. Each one received \$1 million for their contributions to the Michigan Renewable Schools program. On the partnership between the Ecology Center, Recycle Ann Arbor, and Energy Works Michigan, \$3.5 million is coming through the Michigan Public Service Commission to survey the 1,600 public schools in Michigan and choose a short list that will be the first ones to do energy audits and couple in with the schools that have renewables programs. DTE Energy and Consumers Power are also participating and supporting this effort.
- *Commissioner Delaney:* This was announced this afternoon on the internet, a University of Michigan team Husk Insulation won the MIT Clean Energy Prize, worth \$200,000. Shows the depth of research that we have here for energy innovation. Also local start-up Sakti3 an advanced battery company is working with General Motors and

applied for a \$15 million grant from the Department of Energy. They have said that they plan on remaining and expanding here in Michigan.

- *Commissioner Hong*: May is the Commuter Challenge month. Also, Google in honor of Earth Day provided an indoor residential LED light bulb to every employee. There is also an LED light bulb available to all the commissioners present.

Ann Arbor Community Updates

- Energy Futures Film Project Update: Project that was started with UM graduate students. It is still in the planning stages, but it is picking up. Commissioner Black was contacted by one of the writers at the Ann Arbor Chronicle who would like to do an article on this project. The group is trying to connect with other groups, such as the art school, in order to add to the project.
- State Legislative Update: No prepared update. Commissioner Bing said that the plan for the State Energy program was due either today or yesterday, so we should be hearing further details about this soon.
- DTE Rate Case Update: Commissioner Wright informed the Commission that this item should be removed from the agenda. There are currently no cases pending.
- Environmental Commission Update – David Wright: Their primary focus has been on the Huron River Management Plan (HRMP). There was a public hearing last week. Currently, they are also working on some of the night sky issues in the city.
 - Commissioner Appleyard asked if we should discuss a position on the dam removal issue. Commissioner Appleyard expressed the personal opinion that the dams be kept and reactivated.
 - Commissioner Bing asked if the preliminary economic study took into consideration renewable energy credits. Andrew Brix responded that we did take them into consideration, but it appears that we may have slightly undervalued them. Yet they would be unlikely to dramatically change the bottom line.
 - Commissioner Black stated that he felt the Energy Commission should take a stance on this issue.
 - Mayor Hieftje noted that it's a complicated issue and asked if Andrew Brix knew the length of payback that was estimated? Andrew Brix responded that the estimated payback was 40 years on the first cut. He noted that estimating these costs is very difficult. The numbers from the study that are somewhat more firm are the expectation that it would generate about 2 million kWh annually and the cost of installation would be \$4.5 million. Mayor Hieftje said that we should consider our trade-offs, what else could we accomplish with \$4.5 million?
 - Commissioner Black asked Commissioner Wright if the Environmental Commission would like input from the Energy Commission on this issue. Commissioner Wright responded that they would welcome input. If the Energy Commission has a particular position, we should advocate that.
 - Commissioner Black recommended asked if there was a desire on behalf of the Commission to take a stance and make a recommendation to the Environmental Commission.

- Commissioner Bing asked about the expected lifespan. Andrew Brix said at a minimum 20 years and some estimates are as high as 40-50 years.
- Commissioner Long asked what the anticipated costs were for removal? Andrew Brix said that he did not have the numbers in front of him, but he recalls hearing that the numbers to keep the dam and the numbers to remove the dam were pretty similar.
- Commissioner Kurz pointed out that the \$4.5 million was the cost of putting the equipment back in and does not include costs of dredging.
- Mayor Hieftje said that it would probably be wise to also start planning for when we have to replace the turbines on the two existing dams.
- Commissioner Appleyard noted that he is a little surprised that no one had come to the Commission to discuss this issue before.
- Commissioner Black asked if more information could be gathered in order to draft an informal communication to the Environmental Commission with the Energy Commission's position. It will be placed on the task force subgroup's agenda.

Ann Arbor Area - Energy Conservation and Environmental Sustainability Issues and Activities

Residential Audits: Commissioner Bing gave an update on their residential energy services pilot program. As of May 1st, they created an online application and survey allowing people to apply to participate in their program. They performed on-site assessments and delivered a follow-up report with suggested energy efficiency improvements. They received over 175 applications within the first two and a half months. At that point, they removed the application from their website and started offering our audits in January. They have been out to approximately 33 homes. The first 18 homes will probably need to be revisited, because frankly there were a few bumps and bruises since this was a new, learning team. They've generated a pretty streamlined process now. The original report format was a bit too cumbersome. We will also be preparing that with an active web support mechanism to provide the homeowner with more information. Some numbers that we've come up with: 100% have committed to implementing at least one conservation measure; we asked people what they would be willing to invest in energy efficiency improvements - 44% of applications were willing to invest up to \$1,000 and 56% were willing to invest over \$1,000 in improvements. Two University of Michigan students will also be working with them this summer to help create an educational database that compiles a lot of the information that they've gathered about residential energy use thus far.

- Commissioner Long: The survey results are impressive. Was the survey performed before or after the Stimulus bill passed? Commissioner Bing responded that the bulk of the survey was performed before the federal tax credits were passed. He noted that the improvements are becoming more and more attractive and additional rebates become available.
- Commissioner Black asked if the outreach coordinators will be referring contractors, offering opportunities for training, or if there are any other job creation activities that may come out of this initiative. Commissioner Bing responded that they are planning on working with a couple of different groups on training programs. They will be utilizing this program as a way

to get people started in the energy business. They will be working on training more energy auditors and field inspectors.

- Commissioner Long: Is there an opportunity to do something like the Go Solar program where you get a large amount of people to lobby for lower prices for a particular type of energy efficiency improvement?
Commissioner Bing said he feels that it is more likely to be driven by contractors who are installing these products rather than by citizens.
- Commissioner Delaney asked if there were any more details on the rebates being offered by federal government for EnergyStar appliances.
Commissioner Bing said he believes that those rebates are for manufacturers rather than consumers.

Commercial Audits: Andrew Brix said that the DDA agreed to continue funding this program for an additional two years, which expands it beyond simply a pilot program to a full-blown program. We're also looking at providing some bridge loans for smaller business to perform these audits and improvements through the EEC Block Grants.

Building Codes/Guidelines/Recommendations: The A2D2 downtown rezoning project is coming to a close and their representatives wanted to check that the Commission still supports their previous stance on floor area bonuses. The original stance of the Energy Commission was that developers would be allowed more square footage if they met certain prerequisites, such as 2 points in the LEED energy atmosphere credit 1. But new LEED standards were subsequently passed in 2009 setting the needed reductions at 14% for new buildings and 10% for renovation for an existing building. Previously, the LEED standards were 14% for new buildings and 7% for renovation for an existing building. Is the Commission comfortable keeping the 2 point LEED requirement knowing that it will now be the more stringent 2009 standard?

- Commissioner Appleyard asked how enforcement would be achieved.
Andrew Brix responded that compliance is on the property owner to submit their modeling results via eQuest or equivalent to the building department.
- Commissioner Appleyard asked if the building department has the sufficient staff capacity to review computer simulations that determine if they're valid. Andrew Brix responded that he wasn't sure how to address that disconnect.
- Commissioner Black said that 14% and 10% aren't really significant for developers and that he's reluctant to provide bonuses for only minor improvements.
- Mayor Hieftje recommended that Jeff be invited to the next meeting to describe how this works in more detail.

Ann Arbor Area - Renewable Energy Issues and Activities

Solar America Cities Draft Solar Plan – Clean Energy Coalition: Unfortunately, the CEC could not make the meeting today. They have previously spoken of the idea of a community-supported energy project as a means to allow not only homeowners and business owners but also those who are renting or leasing space, to contribute money towards a solar effort. In this way they could be at least a lessee of a solar project.

We've been moving ahead with that idea as the plan goes forward. This way anyone in Ann Arbor has an opportunity to get invested in solar, whether they own property or not.

Commissioner Long noted that the award from DOE for Solar America Cities is a \$200,000 cash award and that when it was first received it was considered huge, although now we're seeing much larger grants due to the stimulus bill.

5000 Solar Roofs Project Update: Commissioner Appleyard said he wanted to make note of a related item – there is a group out of California called 1BOG.org, which stands for 1 Block Off the Grid, that is a non-profit specializing in solar energy. You can contact them and sign-up if you're interested in bring solar to your area. When 100 people in your local area sign up, they arrange a discounted group buy of PV arrays from a local supplier. A number of cities have signed up for this: San Francisco, San Diego, Denver, Los Angeles, Phoenix, New Orleans, and so forth. Commissioner Appleyard has signed up and will look into getting this done locally.

- Commissioner Delaney: the DTE RPS case has a 5 MW pilot program for small scale solar. This is potentially a good area to incentivize people to sign up for the 5,000 solar roof initiative.

Solar Access Zoning: Andrew Brix reported that the Zoning staff at City has been able to make some revisions to zoning codes recently. They've been looking into height exemptions in the last few weeks. Currently, there's no standard official process for obtaining a height exemption to accommodate a rooftop solar panel system. There is some draft language that Andrew shared with the Commission, as follows:

- "A solar energy system may extend above the maximum building height provided the solar energy system extends less than 12 inches above the roof plane or that for each foot the solar energy system exceeds the maximum building height an equal setback from the roof perimeter is provided."

Commissioner Black clarified that this is only applicable in places where the solar energy systems exceeds the maximum building height. Mayor Hieftje noted that in the downtown area, there are only two exceed the building height that was imposed. So in the downtown area, this would only come into play in rare circumstances.

AAEC Subcommittee Updates

Energy Plan: Commissioner Hookam not present, so no update.

Outreach Plan: Commissioner Kurz said that there are no large pieces of news regarding the outreach plan.

Funding for Energy Conservation and Renewable Energy: EECBG Stimulus Update:

Andrew Brix presented the matrix of projects. There's really only one substantive change – there was a solar installation at the Eberbach Cultural Arts Center, which we will now be funded out of some exiting City funds. The funds that were previously committed to this will be transferred to the Community Energy Financing Program. This would allow us to do 125 homes each year which represents a pretty sizable investment into the community. It would allow us to do two years and two rounds of funding for this program.

- Commissioner Delaney: What's the benefit to the person getting the loan through the Community Energy Financing Program? Andrew Brix responded that the benefit is the reduced interest rate and the ease of repayment through the property tax system since the loan stays with the property.

- Commissioner Kurz asked if this affects the federal income taxes on the property. Andrew Brix responded that it is not a rebate so the federal income taxes would remain the same.
- Commissioner Black asked what the next steps are with this application. Andrew Brix responded that the plan will then be passed up through City staff and then will be submitted to the Department of Energy.

Public Input – None.

Adjourn

The meeting was adjourned at 7:25 pm