

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

Attendees: Bill Verge – Interim Commission Chair, Wayne Appleyard, Chuck Hookham, Dina Kurz, Josh Long, Mayor John Hieftje, Stephen Miller, David Wright, and Mike Delaney.

Staff: Andrew Brix, Merry Tondro

Approval of Minutes

It was noted that the edits to the No New Coal Resolution included a typo in page two that struck “coal” from the last page. This strikeout should be deleted with coal remaining in the resolution. With this change, Motion from Commissioner Appleyard to approve the Minutes. Seconded by Commissioner Delaney. Minutes were approved as amended.

Public Input – Steve Green, a former Chrysler worker, has established a local company called Grease Monkeys, which produces biodiesel from waste vegetable oil. Currently getting supplies from Seva. He would appreciate any help and would like to be involved in the City’s plans for biodiesel. Commissioner Delaney asked: how many vehicles per year could you power with existing City vegetable waste? Mr. Green stated that Ann Arbor restaurants currently have about 400,000 gallons of oil that get disposed of every year. A large portion of this is rendered for soaps and agricultural feed. The City fleet uses, not including the buses, 50,000 gallons of biodiesel.

Energy News

Energy Office Updates

- Andrew Brix announced a few upcoming events: Michigan Wind Energy Conference held by GLREA from March 3rd – 4th in Detroit. Visit www.glrea.org to register. The City will once again be participating in Earth Hour on March 28th, this is an international event that turns off non-essential lighting for one hour to raise awareness about climate change and energy efficiency. Additionally, there will be a PV training for code officials, such as building inspectors, on April 20th at the Washtenaw Community College. There will also be a conference on May 11th titled “Green Today, Jobs Tomorrow”. Sponsored by the State and registration is at www.michigan.gov/greenjobsconference.
- Commissioner Delaney noted a few energy news items. There is a clean energy prize competition at the University of Michigan. The semi-finals are on February 13th from 9am to 5pm in the Palmer Commons. The finals are on March 20th from 1pm to 5:30pm. The total prize pool is \$100,000, with \$65,000 going to the winner. Additionally, there will be a conference in October titled “The Business of Plugging-In 2009” which will focus on the development of electric vehicles in the automotive industry. Will include automotive companies, utilities,

and government. Also, Google has announced that they will be moving into the smart metering department and a smart grid.

- Commissioner Verge noted that residential energy audits were mentioned in the Ann Arbor News. It included an interview with Jason Bing regarding the work that he has been doing in Ann Arbor with the 100 residential energy audits. Commissioner Verge also noted Global Wind Systems, which is a local start-up company developing 1.5MW wind turbines. They hope to involve 8 to 12 suppliers in the area, which could result in the creation of up to 8,000 Michigan jobs.
- Commissioner Kurz mentioned that she met with Eli Cooper, Nancy Shore, and Andrew Brix at the end of January on Robert's initiative to look at where transportation and energy planning in the City have synergies together. Preliminary meeting included some suggestions about supporting the expansion of the kind of transportation demand management that is done by "Get Downtown" to be more city-wide. Eli Cooper mentioned the efforts of the Planning Commission in looking at a regional plan for transportation for the City and looking at what role the Energy Commission may play in this process. Commissioner Kurz noted that this could be a good topic of discussion should the Energy Commission choose to do a retreat.

Ann Arbor Community Updates

- Energy Futures Film Project Update: Denise Negee who works with a student named Andrew, as well as Andrew Brix and Robert Black, spoke about how they decided they would rather create a video blog site to open up dialogue about energy issues in the community and nationally rather than hold a film festival. Videos posted on the website could include interviews with University faculty, students, community members, and so forth. The creation of this forum may make it possible to hold a film festival at a later date once more media has been created. They have prepared a flier and will be working on making some short films that they will begin posting on a YouTube website.
- DTE Energy Optimization Plan: Emmet Romine has requested that the Commission have this update next month instead since DTE will have filed their plan at the beginning of March. This way, when Emmet comes to the meeting on March 10th, he will be able to discuss in detail exactly what was in the plan that DTE filed with the MPSC.
- Energy News from Around the Nation: Dave Konkle spoke about the status of energy-related aspects of the federal stimulus bill.
 - A little before 1pm today, the Senate passed \$838 billion version of the stimulus plan, last week the House passed a \$819 billion version of this stimulus plan. Side-by-side as they are now, the overlap is about 90%. Expected approval of the final bill is expected next week. Formula grant funding will be awarded within 30 days of enactment. Formula money is basically block grant money. Funds must be committed within the period required in the bill or they will be de-obligated and redirected. This will give funding for about 1 year of activities. Example of the change in funding: the Office of Energy Efficiency and Renewable Energy received \$1.7 billion in

funding for 2008; the stimulus currently states that they will be given \$25 billion in funding.

- FY 2009 Economic Recovery and Reinvestment breakdown: weatherization assistance program (House \$6.2bn, Senate \$2.9bn), Energy Star appliance rebates (House \$300mn, Senate \$0), advanced battery manufacturing (House \$2bn, Senate \$2bn), loan guarantees for standard renewables (House \$6bn, Senate \$7bn), future gen (House \$0, Senate \$2bn), low carbon power (House \$2.4bn, Senate \$2.6bn), state and local government energy grants (House \$6.9bn, Senate \$4.7bn), grants to states for “charging infrastructure” (House \$200mn, Senate \$200mn), state and local efficient trucks and buses (House \$400mn, Senate \$350mn), institutional entities grant (House \$1.0bn, Senate \$1.6bn), research and development (House \$2.5bn, Senate \$2.6bn).
- Commissioner Kurz asked: What is future gen? Dave Konkle answered that he doesn’t know. Commissioner Hookham said that in the past, future gen was the integrated gasification project in Illinois and may be focusing on clean coal technologies and sequestration. It could be that.
- Commissioner Delaney asked: What is charging infrastructure. Dave Konkle stated that he didn’t know enough to talk about that particular aspect.
- Dave Konkle said he had a meeting with one of the Directors of the state Energy Office. Talked about how the state is trying to prepare for this. In discussion it was noted that there is language for the energy efficiency and conservation block grant that was in the bill that Pres. Bush passed the U.S. Energy Security Act of 2007. They think it’s basically going to be structured similarly, but with some changes in time.
- 68% of the EECBG Funding Allocations will go, by formula, to City and County programs. Every County with more than 200,000 people will get money, every City with more than 35,000 people will get money. So what can be done with this money? Activities eligible under the EECBG Program: developing/implementing an energy efficiency and conservation strategy; retaining technical consultant services to assist in the development of strategy; conducting residential and commercial building energy audits; establishing financial incentive programs for energy efficiency improvements; providing grants to nonprofit organizations to perform energy efficiency retrofits; developing/implementing programs to conserve energy use; developing public education programs to increase participation and efficiency rates for recycling programs; purchasing/implementing technologies to reduce and capture methane and other greenhouse gases generated by landfills and similar sources; installing light emitting diodes (LEDs); installing onsite renewable energy on any government building that generates electricity from renewable sources, and many others.
- We need to really prepare ourselves for how to spend this money, how to spend it well, once we get it. Otherwise, second year funding may not be forthcoming. There are also limitations and requirements for the Direct Block Grant recipients.

- Commissioner Kurz: What does it mean to decouple? Dave Konkle answered that it means to separate transmission from generation. Commissioner Delaney said that it is his understanding that it's the separation of your fuel charges from your fixed charges effectively, so your incentives as a utility aren't misaligned when you start talking about efficiency. Andrew Brix mentioned that this was noted in the State of the State address by Governor Granholm who said that in the future utility companies will "make money by helping us use less energy".
- Commissioner Kurz asked: With respect to the percentages and the caps and limits that was on your last slide, is that based on the possible pool of money for these energy block grants or will the percentages remain the same but the amount vary based on the amount of money actually awarded? Dave Konkle stated that the percentages are what you look at, because you can't be completely sure of the money.
- Commissioner Long asked: Was there any kind of carve out in this? For example, if the City of Ann Arbor and Washtenaw County qualify, do you carve out the City of Ann Arbor population from the Washtenaw County population? Because that would drastically reduce the number of communities that qualify. Dave Konkle said that most counties that have over 200,000 people have that because there's a large city in them. But no one really knows, it just says the grants will be based on a formula to be set by the Secretary of Energy.
- Commissioner Hookham: We've seen how great these block grants can be, but it's possible it could be spent unwisely and there's no real watchdog organization that can monitor how well or effectively this money will be spent. I'm really struggling trying to understand how we will be able create metrics to measure how well this money is spent. Dave Konkle responded by agreeing. He said the real reason why he is here today is to inform the City about the money that could be on its way to us and that we should be prepared to receive it.
- Commissioner Wright asked: Was there anything that was being done, or programs that were being prepared, in anticipation of the 2007 funding? Andrew Brix responded that the 2007 funding was never appropriated, so the money never materialized. Commissioner Wright asked knowing that you were aware that there may be 2007 funding, was there any plan for how to handle this money? Andrew Brix said that there was as much preparation as we have every day to prepare for this sort of thing. This is the work that we have been doing, it's just that we'll shift gears and ramp up the work now.
- Commissioner Delaney: We should focus on this for the next month. Get a first estimate of this amount of money. Form metrics. Develop a list of uses for this money. Coordinate with other local communities to see how they're spending the money. Also, we need to do the administrative work to ensure the receipt of the money.
- State Legislative Update: Andrew Brix gave the following update – draft rules were released about net metering and they appear to be pretty good. You can

view them at www.michigan.gov/mpsc with case #15787 and you can read language and submit comments. Due by March 6th. State of the State highlights: no new coal plant permits, new goal of reducing our reliance of fossil fuel by 45% by 2020. Four points to help accomplish this: 1.) making sure that anyone can make money by selling their green energy back to the grid; 2.) decouple rates and use; 3.) Michigan Energy Corps – part job creation, part weatherization; and 4.) Michigan Saves Program – allow customers to install energy improvement with no up front costs.

- Commissioner Hookham also shared that Gov. Granholm sent out an Executive Directive too. Staff will make this available.
- DTE Rate Case Update: Not much can be done now until DTE files their case. But the item should be carried over to the next month.
- Environmental Commission Update: Commissioner Wright said the big issue now is the Huron River Management Plan. A potential increase in hydroelectric capability is still under discussion. It's up on the City's website. Mayor Hieftje said that he doesn't see hydroelectric expansion in the future – the cost over the lifetime of the equipment just breaks even over 40 years. Andrew Brix said that the economic study that determined this will be made available to the Commission.
- Residential and Commercial Building Audits: Will be discussed next time since Commissioner Bing wasn't present. Mayor Hieftje added that the DDA program is coming along very well.
- Solar Updates: Andrew Brix said that the Clean Energy Coalition is here to discuss the Solar Plan. Robyn Skodzinsky and Greg Vendena discussed both who the CEC is and what programs they run as well as an overview of the Solar Plan. The Solar Plan is designed to support the long-term goal of increasing solar and making it cost competitive by 2015. The presentation included market strategies, the status of the Solar Plan, and other CEC programs. One of these programs included a Solar Contest. Commissioner Delaney asked what is the Solar Contest? Greg answered that it is for a solar hot water system to give away to the applicants. Andrew Brix stated that he would send out copies of the draft work plan for that grant. Commissioner Wright asked what is the single largest thing we could do to remove the barrier to solar? Greg responded to pay for as much of it as possible. People don't want to pay any more than their current bills. Commissioner Long suggested that given the potential incoming funding, let's put this plan in overdrive so we can really expand on this. Greg said that the draft Solar Plan will be ready for the Commission's review by mid-April 2009. Commissioner Hookham asked how will this fit into the City's Energy Plan? Will it be an appendix? Andrew Brix responded that it should be part of the Energy Plan, but how exactly it will be integrated may be a little difficult.
- Document Sharing: Commissioner Kurz said that Commissioner Hong set up a GoogleDoc with all the documents we've discussed. Is there a better way to organize this? Andrew Brix agreed, saying that we've had success with GoogleDocs before, but it shouldn't be used for large document sharing. Commissioner Kurz volunteered to set up a CTools site for the Commission to use.

- Subcommittee Updates: Commissioner Delany asked the Commission at large who else would be willing to help him as an extension of the Finance Committee? Commissioners Kurz, Verge, and Appleyard volunteered. Commissioner Hookham suggested that a separate meeting be held where the Commissioners could get together to discuss the Energy Plan – it would be more efficient. Commissioner Long agreed and also shared that he will begin working on putting together information for a potential Commission retreat.
- Outreach Plan Update: None.
- Ecology Center Grant: Andrew Brix said that the application for this was submitted last week. We're seeking models about how we might do some of this efficiency work. It's also a good step forward in imagining what we might do with the stimulus money. In Michigan, we can't do property tax financing like Berkeley, California, but we have some information that suggests that the development of an Economic Development Corporation would be useful tool. An EDC can issue tax free bonds which is part of the means of starting to bring the costs down. The grant would go towards the planning of such an organization.

Other Business

- Commissioner Appleyard noted that 2010 is the City's goal for 30% renewable energy use. Are we on track for this? Should we be prepared to purchase RECs? What else might we be able to meet this goal? Mayor Hieftje said it's important to note that we haven't factored in the savings from the LED lights and the biodiesel buses, so the total might be a bit higher than we currently think.

Public Input – Katie Malkin spoke. She's a former UM student and currently works for Google. She's interested to see what the City is doing with improving public transportation.

Adjourn

The meeting was adjourned at 7:20 pm