

Ann Arbor Energy Commission – Meeting Minutes
January 13, 2009
Washtenaw County Administration Building
220 N. Main St. 5:30-7:30 PM

Attendees: Bill Verge – Interim Commission Chair, Wayne Appleyard, Jason Bing, Chuck Hookham, Dina Kurz, Josh Long, Fulter Hong

Staff: Andrew Brix, Merry Tondro

Approval of Minutes

It was noted that the Minutes from December did not include reference to the discussion that took place over the No New Coal Resolution. With this change, the Minutes from December were approved.

Public Input – There was no public input.

Energy News

Energy Office Updates

- Personnel Change: James Peters has accepted a job at the Great Lakes Renewable Energy Association. Merry Tondro will now be in attendance at Energy Commission meetings to take Minutes.
- Energy Challenge Awards: Applications are available online at www.a2gov.org/energy and will be accepted through the end of this month.
- This weekend was a meeting of local citizens working on energy issues from a grassroots level which discussed a “transition town” model.
- The Downtown Development Authority has updated the Downtown Energy Audit Program. This is moving ahead and audits
- \$50,000 - \$100,000 grant are available through the Ann Arbor Community “Big Idea” Grants. Andrew noted that this may be a good opportunity for energy-related projects.

Other News

- Commissioner Kurz noted an upcoming meeting titled “Green Today, Jobs Tomorrow” in Lansing. Registration will be available early in 2009. The flier and link to more information will be posted on the City website.
- Commissioner Verge mentioned the recent approval of an offshore wind project in Rhode Island 1.3 million megawatt hours per year. Also, a 12.6 megawatt wind farm is being developed in Nevada which will be providing electricity at \$0.75/kWh using solar PV, which will make solar competitive with coal in the region.

UM Student Project Presentation

Presentation given by three University of Michigan students: Uday Meduri, Deepesh Goyal, and Jojo Amonoo. The student project was to research and model the feasibility of switching the University of Michigan to 100% renewable

energy sources. The University currently uses 550 million kWh of electricity per year. This generates over 50,000 tons of CO₂ annually. The three students looked at the relative impact of dispersed versus decentralized generation. In conclusion, the students recommended that the Energy Commission encourage the raising of wind speed towers to collect and make wind data available. This may assist the development of wind towers in the region.

- Commissioner Long asked what specifically the students included under the “biomass” classification. Is there a particular type of biomass that is the most efficient?
- Commissioner Long pointed to the relatively low level of CO₂ emissions created by nuclear power generation over the lifetime of the plant.
- Commissioner Verge thanked the students for the presentation and requested that the Commissioners get hard copies of the presentation for further review.

Old Business

- Energy Futures Film Festival: Andrew Brix stated that this project was basically ready to move forward. Energy Office will be reaching out to UM students and the community at large for introductory videos ready for this spring.
- Michigan Saves Pilot Program: Members from the Michigan Public Service Commission (MPSC) were unable to attend the meeting to present information on this topic. Andrew Brix provided a review of the basic premise of the program. Allows a utility customer to finance an improvement, not even necessarily an energy improvement, with no upfront cost. The customer pays back a portion of their savings on their bill. This means that from the day of the installation, the customer will save money. There are some limitations on what can be financed, $\frac{3}{4}$ of the savings of the measure need to pay for it's cost within $\frac{3}{4}$ of it's lifetime. This is the $\frac{3}{4}$ by $\frac{3}{4}$ rule, which makes it a fairly safe financial program while ensuring that efficient projects are funded. Should Ann Arbor be a pilot city for a program such as this?
- Commissioner Appleyard expressed concerns about the collection agency and also noted that it is possible for residents to fund beyond the $\frac{3}{4}$ by $\frac{3}{4}$ rule, but that residents could finance up to $\frac{3}{4}$ of the cost of the project and only pay upfront for the remaining $\frac{1}{4}$ of the cost.
- Andrew Brix stated that another option for collection that was mentioned at the meeting with the MPSC was the creation of an Economic Development Corporation. But this would be a fairly major undertaking in terms of creating a new structure.
- Commissioner Hookham said he felt we should still commit to looking at pilot program options in order to stay as an energy leader in the state. Andrew Brix will remain the lead on this topic at least through the next meeting. Andrew Brix also pointed out that the Public Service Commission website has information on the pilot Michigan Saves program.
- The MPSC is writing new rules for the metering requirement. Once these are in draft form they will be available for comment.
- Energy Plan Subcommittee Update: ICLEI working with the New York City Mayor's Office to create a green city outline. They are working now to make this

toolkit available. Ann Arbor has applied to be a part of the pilot program for this toolkit, which would be a chance for the City to create a General Sustainability Plan. The Energy Plan could also be incorporated into this.

- Commissioner Hookham asked what the timeline was for the response from ICLEI on Ann Arbor's application. Andrew Brix stated that the City would hear back in two weeks and the pilot project, called PlaNYC, would be run from late February and early March to June 2009.
- Commissioner Kurz asked what kind of grant was included with this. Andrew Brix stated that it's not a cash award, but rather in kind support from the ICLEI and the NYC Mayor's Office for the four to five pilot cities that are chosen.
- Energy Conservation and Renewables Finance Sub-Committee Update: Commissioner Verge stated that if the City raises money through a bond, we should ask what we want to focus on. Commissioner Long stated that even if we choose not to do a bond or millage, it's still important to have our priorities clear for the Energy Efficiency Block Grants, which we should know about in approximately a month to a month and a half. Commissioner Bing stated that we need to figure out what the financing mechanism will be for residential improvements. Andrew Brix pointed out that the DDA Audit Program includes both residential and commercial improvements. Commissioner Kurz said she would like to restate the concern that the state may raise that we're using public money for a private good rather than a public good. Commissioner Bing said that we should work to get as much resident feedback as possible.
- DTE Rate Case Update: Andrew Brix said that the decision came down December 23, 2008 which ruled that the MPSC ruled that this is the wrong time for such a tariff due to the new RPS bill. DTE will likely file another rate case soon to fulfill RPS obligations. Commissioner Verge requested that we leave this as an agenda item and we can revisit it. Commissioner Long asked if the Energy Office is taking the lead and Andrew Brix responded that the Energy Office has mostly just provided technical support to Commissioner Wright and the Mayor.
- 5,000 Solar Roofs Project Update: Andrew Brix stated that there were no updates for this program.
- Solar America Cities Update: Andrew Brix stated that the next big effort is on emergency preparedness. Multiple meetings have been held to gather information. We're considering where it makes sense to install solar. One option that was considered is the placement of solar on local gas stations so that pumping of gas is possible for residents even during emergencies. Commissioner Long asked how far along is the Solar Cities Plan? Andrew Brix responded that the Plan is coming along. There have been interviews, case studies, and literature reviews. The creation of a draft is the next step, but no dates have currently been set.
- Solar Access Zoning: Commissioner Appleyard asked if we should include solar zoning as part of the PlaNYC pilot project. Commissioner Bing also noted that perhaps we should send someone to the Planning Commission to inform them of this potential development.

- Resolution to Replace Two Coal Plants with Conservation and Renewables:
 - Commissioner Verge noted that we've added nuclear into the discussion. I have had some concerns with this. Does anyone else have any concerns about this?
 - Commissioner Hookham stated that he felt that Ann Arbor can best shape efficiency and conservation issues. But this resolution has touched upon base-load considerations. There are many other issues, regarding this topic and we've taken this farther than I think we should have. The resolution inadequately addresses efficiency and conservation.
 - Commissioner Verge asked if any other Commissioners have any issues with the Resolution as written.
 - Commissioner Appleyard stated that he believed sometimes an agency has to go beyond its immediate sphere of influence and send a message. Coal is one of the big obstacles to climate change mitigation. Stopping coal is very important. If we don't stop coal, then it negates the progress we may make regarding efficiency.
 - Commissioner Bing voiced his agreement with this thought. We're not actually stopping any power plants, but we're making a commitment to think differently. We admit that the norm is not meeting our needs. I think the time is appropriate. We can try for 100% renewable economy. It doesn't hurt to try.
 - Commissioner Hong stated that Commissioner Delaney expressed concerns about the Castle Study mentioned in the Resolution regarding scalability and the resolution's focus on nuclear. What is the actual outcome? What difference does this really make?
 - Commissioner Bing restated that we won't know unless we try.
 - Commissioner Hookham stated that he's worked on multiple types of electricity projects and until we improve the grid, we need to maintain the level of frequency on that grid. I feel still that these issues are larger than the scope of this office.
 - Commissioner Kurz said that in listening, she believes we're not saying shut off the grid, rather eliminate the need to burn coal, which is not carbon neutral. She thinks that making a statement is important. She understands Commissioner Hookham's perspective, but I can also see the role we play in the larger picture.
 - Commissioner Verge stated that he thinks the resolution makes pretty basic statements about what we would like the future of Ann Arbor to be. We cannot rely on our utility companies to look out for us. But I would like to remove any mention of nuclear or natural gas from this and keep it strictly to coal.
 - Commissioner Long asked how do we really eliminate dependence on coal? It's through efficiency and conservation. I'm not sure what this paragraph really does.
 - Commissioner Appleyard moved to strike any mention of nuclear or natural gas from the resolution.

- The Resolution then went through this mark-up to remove mention of natural gas and nuclear. Commissioner Appleyard moved to vote on the Resolution. Kurz seconded the motion. The Resolution was approved by a vote of 6-1 (Ayes – Long, Appleyard, Hong, Verge, Bing, and Kurz; Noes – Hookham).
- Environmental Commission Update: Skipped due to the absence of Commissioner Wright.

New Business

- Commissioner Bing asked if it was possible to have a DTE representative come to speak to Commission about the energy optimization programs that they plan to implement so that the A² programs could fill in any gaps.
- Commissioner Verge mentioned the idea of a Commission retreat to discuss and create long-term goals.

Public Input – There was no additional public input.

Adjourn

The meeting was adjourned at 7:30 pm