

**MADISON ENERGY ADVISORY COMMITTEE  
TOWN OF MADISON LIBRARY CHICK ROOM  
MINUTES  
WEDNESDAY DECEMBER 12, 2018**

**MEMBERS PRESENT** - Noreen Downs, Co-Chair, Russ Dowd, Co-Chair, Russ Lanoie, Bob King (Selectman representative), Sloane Jarell

**MEMBERS ABSENT OR EXCUSED** – Adam Leiser

**OTHERS PRESENT** – Carol Dandeneau, videographer; Ted Vansant and Jack Bingham from Barrington Power and John Dunster and Sam Lavallee from Revision Energy

**WHERE AND WHEN POSTED** – Town Hall upper and lower level bulletin boards and Madison & Silver Lake Post Offices on December 6 and December 11, 2018 (change to location and start time)

**MEETING CALLED TO ORDER** – By co-chairman Noreen Downs at 10:00 am.

**APPROVAL OF AGENDA** – Motion made by Mr. Dowd to approve the agenda, seconded by Mr. Lanoie. Motion passed 5-0.

**INTRODUCTION OF BARRINGTON POWER AND NEW ENGLAND COMMERCIAL SOLAR SERVICES REPRESENTATIVES**

**Ted Vansant and Jack Bingham**

**PV SOLAR REQUEST FOR PROPOSAL RESPONSE AND DISCUSSION WITH BARRINGTON POWER**

- We have reviewed all the material Barrington Power has provided and reacted with a rejection of the initial proposal. This meeting is to discuss options and alternative ways to make this work with our current town budget situation.
- Barrington responded by asking to go through the questions that he submitted to Ms. Downs, so they could better understand what we were looking for and therefore provide a proposal that better suited our needs.
- Barrington wanted to make clear that both proposed projects are interconnected behind the meter. We are not putting in a new service, it would be interconnecting at the power source behind the school. Ms. Downs clarified that we felt it would be more cost effective if were sized appropriately behind that meter. Barrington responded that it was more economical to build one larger system in the field rather than three smaller ones.
- Barrington clarified that the two systems proposed do not exceed 100KW, so you will get favorable credit and will be eligible for rebates at the maximum amount.
- Barrington states that we are now paying 7.1 cents for supply for the school through a 3<sup>rd</sup> party supplier. That contract is done November of 2019. Barrington believes rates will be closer to 9-13 cents. New proposal is at 10.1 cents. People are going with solar PPAs is

because the pricing is consistent for town budgeting. Barrington suggests asking 3<sup>rd</sup> party supplier what 2019 rate will be.

- Barrington states that it would be a good idea to go back and redo the comparison because they have a better understanding of what we are looking for. The rate will still be 10 cents but show different scenarios under different supply rates with each of the systems.
- Barrington says that their proposal includes rebates from the state. Ms. Downs clarifies that the rebates are a lottery system and can't count on getting it. Barrington suggests you go to the town and ask for approval based on two contingencies: 1) we get a good rebate and 2) we get a savings of x.
- Ms. Downs asks if Barrington's proposal is cost neutral to the town? No, when you consider Ms. Downs spreadsheet showing it would be \$3000 more because the school currently uses a 3<sup>rd</sup> party supplier and would have to be converted to Eversource. It all depends on that 3<sup>rd</sup> party supplier and what the rate is going to go up to.
- Discussion of municipal PILOTs (payment in lieu of taxes) and Barrington was told about the lawsuit the town is involved in. Barrington did not think it would be a problem.
- Discussed the possibility of a 3<sup>rd</sup> party investor ("angel investors"). Barrington does not know of any but suggested if Madison had someone in mind to please connect them with Barrington. Barrington suggests that the buyout clause after 6 years would be a reasonable direction to go. Raise money from the town to buyout in whatever year Madison feels would be most beneficial. Ms. Downs points out that it is not cost neutral to the town until year 12 or 13. The other option is to just not buyout.
- Barrington states that it brings an education aspect, they work with educators in the school to include solar into their curriculum. Students can even monitor the meter online.
- Barrington asks if the school sees credits (revenues), will they then have to cut a check to the town. It was agreed that it was all semantics and that revenues will still reduce the overall cost to the town. Ms. Jarell stated that we need to change the us-them mindset as we are all in it together.
- Barrington is not entertaining a roof mount system because Shawn Bergeron told him there are many parts of the flat roof that the school shovels and you can't shovel when there is solar on there and if they are shoveling it's because there is a structural reason and that indicates it would not be a good fit for solar. Another reason is that every roof mount in this area is covered with snow for at least 2 months of the year which means no production during those months. A ground mount will self-clear because of pitch. Barrington also designs the panels with a 42-inch clearance from the ground, so snow doesn't block production.
- Next step: The main goal is to figure out how to get with parity based on the rate. Madison needs to find out what 3<sup>rd</sup> party supplier rate will be in 2019 and they can revise proposal. Ms. Downs asked if their panels cost was their best price because she heard that panels pricing is going down even with the tariffs. Barrington will relook at cost. Barrington also stated they can make an application for a USDA rural development grant although these have been harder and harder to come by.

## **RECESS AND CHANGE-OVER TO NEXT VENDOR 11am**

## **RECONVENE at 11:12 am**

## **INTRODUCTION OF REVISION ENERGY REPRESENTATIVES**

**John Dunster (Sales and Project Development) and Sam Lavallee (Director of Financing)**

### **PV SOLAR REQUEST FOR PROPOSAL AND DISCUSSION WITH REVISION ENERGY**

- Revision begins presentation with telling us who they are, what they bring to the project, and about solar PPA (power purchase agreement). Revision then goes into their new proposal of taking approximately 2/3 portion of the original array (100 KW AC) behind the ball field and tie it into town hall metering rather than behind the school. The reason this is beneficial is: improved project economics, will receive full retail rate for behind-the-meter consumption, no need to group net meter, don't have to worry about 3<sup>rd</sup> party supplier, excess generation becomes bill credit, excess bills can be cashed out annually in March, cash can be assigned to other electricity costs, target PPA rate is approximately \$0.100/kWh, blended energy value to the town, and significant savings to the town starting on day one.
- If we do not buyout, Revision estimates approximately a \$3,000 savings in a year, that would be approximately \$40,000 in ten years and \$139,000 savings in 25 years.
- Revision went over the possibility of future projects Phase 2/3 that would offset the school load.
- This PPA rate assumes no property tax, so if we had a property tax expense, we would have to factor it in to the PPA rate. We could negotiate directly with the town or the tax would appear on our PPA bill, so you would be taxing yourself which might motivate the town to negotiate a reasonable PILOT or passing it through.
- Next steps: Select Revision, Town and Revision collaborate to select sites, Revision negotiates, finalizes PPA with Town, Revision files interconnection, pulls permits, Revision procures and constructs project in 2019 to lock in 30% ITC.
- Ms. Downs asks if Revision has offered us their very best pricing in panels because pricing has been going down even with the tariffs? Revision feels the pricing in the RFP is reflective of what pricing will be in Q1 and Q2 of 2019.
- Revision would like to know what the build schedule would be and the equipment standards we are looking for.
- Mr. Lanoie asked if they account for snow load and Revision stated they use a 30-35 degree tilt angle on a ground mount.
- Ms. Downs asks if the PPA takes into consideration any rebates? Revision states that we sign the PPA assuming no rebate. When the renewable energy fund opens, they will apply on our behalf and if we get a rebate, Revision will figure out a way to share it.
- Ms. Downs asked if Revision knows of any investors that would invest in order to take the tax write off of the value of the array? Revision stated that what 100% bonus depreciation does is it reduces the value of the asset to the asset owner for tax purposes down to zero in year one. If you own the asset, bonus depreciation means you take the value of the asset and reduce that asset to zero and you take that value as an expense against your income in that year, but that means, for tax purposes, for every subsequent year that asset has a zero value. If someone were to donate the equipment, they are donating a zero dollar asset and so there is no tax write off. In Massachusetts an investor would take the tax credit, depreciation and RECS and by year 6 the investor has made a 20% return, so they are happy to part with the asset. In NH, the economics

are not nearly as strong and so you have a lot of trouble identifying an investor that is willing to give it away.

- Mr. Lanoie asked about the warranty of the system for damage or failure of an inverter. Panels are warranted for 25 years, inverters: 12 years, inverter replacement: 15 years, workmanship: 5 years, physical damage: investor holds property insurance.
- Mr. Dowd asked about fencing and Revision stated that it is optional. Four-foot wire fence.
- Ms. Downs asked if the .10 per KWh escalates every year? Revision said it escalates 2% per year a flat and fixed rate. Ms. Downs requested a copy of Revisions spreadsheets.

## **RECESS AND CHANGE-OVER TO MEAC NEXT STEPS MEETING 12:28pm**

### **RECONVENE at 12:33pm**

#### **REVIEW OF VENDOR PROPOSALS AND DISCUSSION OF NEXT STEPS**

- Mr. Dowd states that in order to group net meter, the host meter had to represent 20% of the load of the group net metering, however, now, that is no longer the case – it can be any amount. This change in net metering language significantly changes some of the opportunities we have.
- Ms. Downs will contact Chuck Bates, SAU13 Business Administrator, about what the 3<sup>rd</sup> party rates are going to be looking like for the new contract.
- **MOTION**

**To have a committee meeting on January 10, 2019 at 7pm at the Town Hall to relook at financials from both vendors and decide on whether we can make a recommendation to the town on one of those vendors. Mr. Lanoie made the motion, and Mr. Dowd seconded. Motion passed 5-0.**

#### **COMMUNICATION**

Ms. Downs received communication from PEGTV board of directors reminding all boards that the videographer will be present for all town public meetings.

**APPROVAL OF OCTOBER 29, 2018 MINUTES** - Motion was made to approve the Oct. 29 minutes Mr. Dowd, seconded by Mr. Lanoie. Motion passed 5-0

#### **Adjournment -**

Ms. Downs made a motion to adjourn at 12:55 pm; seconded by Mr. Dowd .  
Motion passed 5-0.

Respectfully submitted,  
Sloane Jarell, Committee member

Minutes approved at the January 10, 2019 meeting.