

**MADISON ENERGY ADVISORY COMMITTEE
TOWN OF MADISON LOWER LEVEL MEETING ROOM
FINAL MINUTES
THURSDAY, AUGUST 7, 2019**

MEMBERS PRESENT - Noreen Downs, Co-Chair, Russ Dowd, Co-Chair, Russ Lanoie and Bob King

MEMBERS ABSENT OR EXCUSED – Sloane Jerrell (excused)

OTHERS PRESENT – Selectmen, John Arruda, and videographer, Carol Dandeneau,

WHERE AND WHEN POSTED – Town Hall upper and lower level bulletin boards and Madison & Silver Lake Post Offices on August 5, 2019

MEETING CALLED TO ORDER – By co-chairman Noreen Downs at 4:00pm

APPROVAL OF AGENDA – Postpone approval of minutes to end of the meeting. Mr Dowd motioned to approve agenda change, seconded by Russ Lanoie. All in favor.

OLD BUSINESS

Review ReVision Energy solar project Power Purchase Agreement (PPA) and PPA Rate Schedule

Discussion – Ms. Downs provided background of the Power Purchase Agreement and where we are currently. Ms. Downs and Mr. Dowd covered aspects of their additional spreadsheet analysis into how the rate assumptions proposed in the PPA contract and the PPA rate schedule do not appear to be advantageous to the town. The results of looking at the rates applied against the average town hall electric bill (taken from the past 7 months) show the town would be paying equal to or more for all the power generated by the solar array than it would be paying the utility company at present energy rates. With the announcement of a 11.5% decrease in the energy rate for the next 6 months (\$0.09985 to \$0.08825), and even with applying the 2.5% escalator, the outcome of the analysis over 25 years reflects less savings. Mr. Dowd states that \$0.1205 energy value rate on the PPA rate schedule is a number extrapolated from the energy cost, distribution and transmission fees, as developed by ReVision Energy. It appears to the committee to be high.

Then the committee also looked at the more recent electricity usage spreadsheet prepared by Ms. Downs. Over the past several years up thru June 30, 2019, it shows that the energy usage for all buildings has gone down. With the PPA proposal showing that production would be at the annual level of 132,912 kWh in the first year, that is much more than the approximate 80,000 kWh needed by the town buildings. The town hall would use only about 20% of that directly behind the meter, and the overproduction would be monetarized monthly thru net metering calculations at about 80% of the cost thru the utility. The average monthly town hall usage is at 1,1932 kWh. The result is that the town is paying an annual fixed rate for all the array production to the investor (also with a built in escalator of 2.0% starting in year 3), and if the rates do not mirror actual utility rate increases over time by even 1%, the town is possibly locked into a contract to pay more for power than with the

utility. Mr. Dowd spreadsheet shows the difference in the 25 years savings could go from \$101,000 projected by ReVision Energy down to \$73,000 with a 1% fluctuation in utility escalation.

Mr. Arruda stated we are cutting a very fine line financially based on the discussion. And also that given kids activity in the back of the ball fields, there would have to be a fence installed around the array.

Mr. King reported on conversation and email with Mr. Garrison of ReVision Energy stating that there needed to be some addition to the project cost for solar array protection (if not fencing). \$10,000 was added to the project cost for meshing. Mr. Garrison also stated that more kWh production from the proposed size of the array is more beneficial.

Mr. Lanoie was curious if an investor could be attracted to the project if the size of the solar array was reduced.

Mr. Dowd brought up the topic of administration of the payments to the investor each month and that the results of the production and the monetized credit may end up causing some cash flow inconsistencies.

Mr. Dowd made a **Motion – Move not to accept the present ReVision Energy PPA proposal – the project has to fit the needs of the town.** Seconded by Mr. Lanoie. After further discussion, all were in favor.

Mr. King pointed out that he thinks the solar array needs to be re-designed and that the school, the largest user, would need to be brought back into the picture. ReVision started out with one number in January and then things changed. Difficult to understand the benefit. The margin of possible savings is too fine and will be a hard sell. The project is worth re-visiting, but need to start at “square one”.

Ms. Downs will draft a letter to ReVision Energy rejecting the proposal, and send the content to Mr. King and Mr. Dowd for review before sending to ReVision energy. The letter will point out that the overall town electric usage is decreasing, the utility energy rate has just dropped causing further concern over the PPA rate presented, and that we have a strong financial concern given the size of our town and the 25 year commitment. The large production dilutes the benefit of the size of the planned solar array. It is oversized. Mr. King notes that we want to express that the town fully intends to continue to re-evaluate our moving forward with solar. For now we have lost confidence with all the changes in the PPA rate schedules, and it is difficult to see benefit.

Mr. Dowd states this outcome may not be what we wanted, but we have learned a lot and we have a greater opportunity going forward to be in a good position for evaluating proposals.

Meeting Minutes - Given the hour, it was determined to postpone approval until the next meeting.

Adjournment – Mr. Lanoie motioned to adjourn at 5:15pm. Mr. King seconded. All were in favor.

Respectfully submitted by Noreen Downs. Minutes approved at the meeting of August 19, 2019