

**MADISON ENERGY ADVISORY COMMITTEE
TOWN OF MADISON LIBRARY CHICK ROOM
FINAL MINUTES
MONDAY SEPTEMBER 17, 2018**

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

MEMBERS ABSENT OR EXCUSED - Ken Eckhardt

OTHERS PRESENT – Carol Dandeneau, videographer; Marianne Jackson, Madison resident with PV solar system experience.

WHERE AND WHEN POSTED – Town Hall upper and lower level bulletin boards and Madison & Silver Lake Post Offices Sept. 14, 2018

MEETING CALLED TO ORDER – By co-chairman Noreen Downs at 7:03pm.

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

MEETING MEMBERSHIP – Ken Eckhardt is stepping down as he is moving out of Madison. Mr. King suggests requesting a resignation letter from Mr. Eckhardt. The committee is one member short and Ms. Downs invited the viewing audience to consider membership.

APPROVAL OF JUNE 1 AND AUGUST 1, 2018 MINUTES - Motion was made to approve the June 1, 2018 minutes with 2 revisions by Mr. Leiser, seconded by Mr. Dowd. Motion passed 6-0
Motion was made by Mr. Leiser to approve the August 1, 2018 minutes, seconded by Mr. Lanoie. Motion passed 6-0

PUBLIC COMMENT – No public present

OLD BUSINESS –

- Solar PV project proposals for town and school buildings –
 - Ms. Downs reported that the Board of Selectmen (BOS) received the proposals from ReVision Energy and Barrington Power on Sept. 10, 2018. The proposals were passed onto Ms. Downs at the BOS meeting on Tuesday Sept. 11, 2018
 - Discussion of the proposals started with consideration of reviewing that the required components of the proposal were met. Ms. Downs had started a spreadsheet to document the Request for Proposal (RFP) requirements and had started to capture the compliance by both companies. The Request for Proposal asked that each company make a PV solar design presentation to members of the MEAC, to Chuck Bates Business Administrator of SAU13, MS. Woodward principal of Madison Elem., members of the Board of Selectmen

and the school board. Ms. Jerrell asked to have a representative from the budget committee invited.

- Mr. Leiser referenced an email he circulated with some comments regarding the proposals. Mr. Leiser was concerned about the impact of proposing a larger than 100kW system (Barrington Power page 3) would have on net metering savings. Mr. Leiser would want ReVision to address why they are proposing a larger than 100kW system. Ms. Jackson asks did ReVision take into their savings formula proposing a larger than 100kW system? Mr. Leiser wants to further understand the reasoning for the 100kW proposal and also ask ReVision for their understanding and what would be their case for proposing a larger system?
- Will a structural engineer study for a roof mount be required. Mr. King states that if there is a 40 year projection for the panels, will the roof structurally last that long.
- What is the chance that Madison will accept a buy-out? Mr. King says probably not. Ms. Downs asked about there being a possibility of putting funds away thru 6 years of capital reserve to purchase the panels. Mr. Dowd states that historic presentations have typically shown that investors have their money out of the investment by 6 years. The town is not required to buy the system at any time. Ms. Downs says the array would be appraised at the time the town might be serious about purchasing the system. Ms. Jackson says ReVision is estimating the fair market value at time of the sale 6 years out. Mr. Dowd says there must be a formula for these estimates.
- Mr. Leiser and Mr. King say that the buy-out is unlikely at 6 years given all other town needs.
- Ms. Jackson says the savings overall is less if you don't buy-out the array, and greater if you purchase the array at some point.
- Mr. Leiser wants to know the cost of the inverters and the quality of the inverters and the panels. If inverters go bad, this can be a maintenance considerable cost. Mr. Dowd stated the owner/investor is responsible for the replacement until the town purchases the system. Mr. Leiser wants to know what can be the costs to the town if the town purchase the system and what the costs will be 15 or 20 years out.
- Mr. King stated that the Planning Board should be brought into the conversation if a purchase is going to be added to the Capital Improvement Program.
- Ms. Downs brought up the 3rd party contract the SAU 13 has with Agera that provides the school with energy at \$.07/kWh. – that contract ends in 2019. This is well below the \$.10/kWh. The committee needs to know what are the chances that the school board will want to move forward.
- Mr. Dowd reports based on the May Eversource bill that the school is paying \$.165/kWh “all in” for electricity. The single phase meter bill (old section of the school) is showing \$.169/kWh and the 3-phase meter bill (new section of school) is showing \$.162/kWh. The “all in” is everything on the bill and not just the “energy” portion (the \$.071/kWh). If you can go to a 3rd party and buy electric for less than \$.10/kWh, then why would we proceed with this project. Mr. Dowd asks is the \$.10 strictly just energy thru the meter or are other charges reduced? Ms. Jackson says we can look at the bill and see which charges are based on the kWh usage.

- Mr. Dowd talks about demand charges that are set for a year – the maximum demand the meter might require at any point in time. In the summer, the demand spikes up due to air conditioning in the schools newer section. Both meters have demand charges.
- ReVision has not discussed which meter the array is feeding. Barrington is talking about two systems – one feeding each of the school meters. The over production from the larger of the two systems is applied to other buildings electrical bill thru net metering contracts.
- Ms. Downs states the ReVision proposal has a larger design to take care of all buildings thru net metering (probably feeding the 3 phase meter), and then they have proposed a smaller design on the single phase meter.
- Mr. Dowd says the Barrington Power proposal is cheaper than ReVision.
- Mr. Dowd states we need to push the proposers to clarify the rate and what it covers.
- When they estimated the \$.10/kWh, what does this represent, or the \$.13/kWh it is being compared to.
- Ms. Downs would want to know Mr. Bates’ (SAU 13 Administrative Manager) strategy for purchasing electricity from Agera at the end of the contract. We need to bring Mr. Bates and Ms. Woodward (Madison school principal) up to date.
- Mr. Dowd points out that the “energy” used thru the single phase meter costed less than the delivery services. The other rate for energy is \$.094/kWh
- Mr. Dowd brought up the ReVision request to ask if the town will waive the construction bond. The Board of Selectmen checked with legal counsel who said that any construction over \$125,000 required a bond (by NH statute). Ms. Downs and Mr. Dowd expressed their concern that with all of the installations ReVision has completed, they should have known this was a requirement. They did not reference this in the proposal.
- Ms. Downs also wanted to reference the Barrington Power assumption that there would be no property tax. The Board of Selectmen have stated that at least a payment in lieu of taxes (PILOT) would be preferred. Ms. Downs and Mr. Dowd had responded to the proposers with the BOS preference.
- Mr. Lanoie asked about the warrant article to exclude property tax for solar installation. Mr. King looked this up in town report 2016 and the exemption refers to home owners.
- Mr. Leiser suggests consideration of a bond to purchase the solar system. Ms. Downs stated that the investor gets to take advantage of the 30% federal tax credit and the town does not qualify for that tax credit. Mr. Dowd says the investor also can take advantage of accelerated depreciation. These deductions allow the proposers to offer utility rates at less than the Eversource.
- Mr. Dowd points out on the ReVision Energy proposal at the end of 25 years, the town is going to save \$332,000. Sounds large, but a long time to reap the payback.
- Mr. Leiser points out that NH does not have a favorable program to support economic solar installations. Renewable Energy Credits are no longer an incentive. This project is a tough sell.
- Mr. Dowd points out that everything that is added onto the proposal, such as property taxes, reduces the savings and increases the payback period.
- Mr. Leiser – can the proposer provide the project as a purchasable solution?

- Ms. Downs would like to work with Mr. Dowd to ask these questions of the proposers to move forward. Mr. Leiser wants to wait until we get an answer on the proposal rates before we invite the companies to make a presentation
- Mr. Dowd says we have to ask about the PILOT - taxing the property for utilities. If we are going to tax the phone poles, are we going to tax the solar utility? If we say we exempt the solar array, Mr. King says the phones will ring.
- Ms. Downs also brings up the Barrington Power \$68,000 worth of NH rebates. We do not know where this amount comes from, and the economics can change if this amount had to be remove from the as a cost offset.. Another question for Barrington Power.
- Mr. Leiser suggests the committee not set the next meeting until we get answers to the main questions so we don't waste peoples time. Mr. King suggests we have a meeting with each proposer in one evening when the timing is right. Ms. Jackson wants the company representative at the meeting so we can just ask questions as they arise.

- **MOTION**

“Russ Dowd and Noreen Downs will follow-up with the questions discussed to the two proposers and then determine a time to meet to consider the answers and next steps”. Mr. Leiser made the motion, and Mr. King seconded. Motion passed 6-0.

- Legislative Updates – The governors veto of SB 446 to increase of net metering limits from 1 MW to 5 MW was not overturned by the state house on Sept. 13, 2018

NEW BUSINESS

No other business.

Next MEAC Meeting

The next meeting will be determined after we responses to our questions from the ReVision Energy and Barrington Power.

Adjournment -

Mr. Lanoie made a motion to adjourn at 8:35pm; seconded by Mr. Dowd. Motion passed 6-0.

Respectfully submitted,
Noreen Downs, Co-Chair

Approved at the October 29, 2018 Meeting