

ELECTRIC SUBCOMMITTEE
Meeting of Wednesday, June 12, 2019
Town Manager's Conference Room | 25 Green Street

A meeting of the Electric Subcommittee was held on Wednesday, June 12, 2019 at 7:00pm at the Ipswich Town Hall in the Town Manager's Conference Room.

With a quorum present, Mr. Engel called the meeting to order at 7:14pm.

Subcommittee Members present: James Engel; Whitney Hatch; Michael Schaaf

Staff present: Jon Blair; Jeff Civitarese; Ray Leczynski; Dylan Lewellyn

Also present: Eileen Page, Recording Secretary

Not present: William Craft; Nishan Mootafian; Edward Rauscher

Citizen Queries

None.

Approval of Minutes

May 8, 2019

Mr. Hatch moved to approve the minutes with changes, and Mr. Schaaf seconded. The motion carried unanimously.

Introduction of New Members

New members appointed to the Subcommittee were unavailable for the meeting.

Vote: Mr. Schaaf moved to communicate to the Select Board that the Electric Subcommittee considers three members to be a quorum, and Mr. Hatch seconded. The motion carried unanimously.

Discussion of Power Portfolio Strategy and Design

Continuation of last month's discussion of the Power Portfolio. Mr. Blair presented a list of eight considerations for the Subcommittee's discussion.

CONSIDERATION 1: SOURCE

Mr. Blair stated that he does not like the idea of using Biomass or Natural Gas, and would like to see more solar resources brought into the portfolio. He noted that hydro and nuclear contracts are available, but not necessarily renewable.

Mr. Schaaf asked Mr. Blair to clarify what biomass energy is. Mr. Blair stated that it is the burning of various resources, including municipal solid waste, wood, and pellets. He noted that while it is technically considered renewable, it is not carbon free. Mr. Blair also noted that Ipswich could "ride the greening of the grid" with ISO, but from a risk perspective it makes more sense for the Town to look at more specific projects.

Mr. Schaaf asked for clarification regarding credit being given to the Town if municipalities were required to operate under a common state goal, and the Town were to simply buy power from the grid mix. Mr. Blair stated, hypothetically, that if the state required Ipswich to be 30% in compliance with a clean energy standard by 2030, right now, the Town would be at about 25%, because the majority of the portfolio is carbon-free. Still, there would be a 5% gap to bridge, and the Town may have to consider purchasing RECs to offset unclean energy from the grid, because the state would view power mix purchases as "gray power." Mr. Blair stated that they would not dissect the portfolio enough to see that purchased power was nuclear, and thus eligible for credit allocation.

Mr. Engel asked if there are any upcoming expiring contracts that may be replaced with natural gas. Mr. Blair stated that on an average day, 60% of the grid mix is natural gas, which makes up three quarters of the current power

portfolio. Mr. Engel and Mr. Schaaf agreed that Mr. Blair should approach Steve Smith (MMWEC) and tell him that the Town would like to prioritize wind and solar projects, followed by hydro and nuclear projects.

CONSIDERATION 2: COSTS

Mr. Blair presented the average prices of power sources in the Town's portfolio. He suggested that a few cents raise may be worth investing in higher fidelity projects, and noted that a project may cost \$0.06 without RECs, but a cost of \$0.08 could provide the Town with RECs.

CONSIDERATION 3: LOCATION

Mr. Blair would like to keep some projects local, but worries that limiting projects to a hyper-local location will cause the Town to miss out on valuable projects.

CONSIDERATION 4: PARTICIPATION

Mr. Blair believes these discussions will have to be project-specific. He suggested that investing in a local wind farm would be treated very differently than owning a wind field in the middle of Maine.

Mr. Engel noted that options available for Participation are mainly Ownership, Co-Op, or Purchase Agreements.

CONSIDERATION 5: PRODUCTION OF RECS

Mr. Blair mentioned that it is important for the Subcommittee to be aware of and understand the various levels and legitimacies of REC purchases.

CONSIDERATION 6: TREATMENT OF RECS

Mr. Blair stated that this refers to cost considerations and requirements for REC ownership.

CONSIDERATION 7: DEVELOPMENT

Mr. Blair stated that the Subcommittee should be considering how aggressive they want to be in projects. He noted that based on Stack Graph "Ipswich Power Portfolio," Forward Contracts and Day-Ahead Market projects will gradually decrease.

CONSIDERATION 8: PROJECT STATUS

Mr. Blair stated that he would favor new construction, but further investing in existing resources (ie, Seabrook) may also be worthwhile.

BAREFOOT SOLAR

Mr. Blair presented the Subcommittee with a proposal for participation in Barefoot Solar, a solar power plant that is being built in Fairfield, Maine. The project is within the ISO-NE territory, and the Town would receive credit for power and capacity, in addition to Massachusetts Class 1 RECS. The plant is built on a capped landfill and has been fully endorsed by the local community. The plant will use local stones as a foundation instead of cement, and solar panels are being purchased from Canada instead of China. Mr. Blair spoke to MMWEC, and they confirmed that they could justify our participation in 100% of the project with a Power Purchase Agreement construct for 7GW hours.

Mr. Schaaf asked why the project is available to us, instead of being offered to National Grid. Mr. Blair responded that many MMWEC members have built their own solar facilities, and so it is possible that that portion of their portfolios have been satisfied.

Mr. Hatch suggested that if Ipswich does not invest 100% in Barefoot Solar, the prices may come down, but he would like to participate "to an extent."

New Business

MMWEC STRATEGIES

Mr. Schaaf stated that he is troubled by MMWEC's "tell us what you want" strategy, and worries that they are foregoing their role as advisor to the Town. Mr. Blair responded that there are over 20 municipalities within MMWEC that have varying priorities and opinions, and perhaps Ipswich is an anomaly in being more assertive and persistent about its wants.

DEPARTMENT OF ENERGY RESOURCES

Mr. Schaaf asked about the status of solar incentives through the DOER. Mr. Lewellyn stated that the ELD will begin accepting applications, and estimates that they will be able to assist with 100-200 kilowatt systems with these funds.

REC RETIREMENTS

Mr. Schaff noted that at a past meeting, retiring the RECs in response to a Behind the Meter system had been discussed. Mr. Lewellyn clarified that the Town will be required to retire the RECs, and will begin to do so between 2020 and 2021.

UPCOMING MEETINGS

Mr. Hatch stated that he may not be able to attend the July 10 meeting.

Vote: Mr. Schaaf moved to adjourn, and Mr. Hatch seconded. The motion carried unanimously.

The Electric Subcommittee adjourned at 9:19pm.

Respectfully submitted by Eileen G. Page