

**Alternative Energy Committee
August 6, 2014**

Members present: Larry Bean, Chair; Burke Henry, Vice Chair; Glenn Carlson, Carl Frederickson, and Tom Banner

Members absent:

Town Staff Present: Pete Clark, Town Administrator; Lisa Potswald, Planning and Zoning Administrator and Grant Writer; Connie Ross, Library Director.

Public present:

1. Call to order.

The Alternative Energy Committee meeting called to order by Chair L. Bean on Wednesday, August 6, 2014 at 10:02am.

2. Minutes of the following meetings to be considered for approval:

A. July 29, 2014.

Motion by T. Banner to approve the July 29, 2014 Alternative Energy Committee (AEC) minutes as presented, second, C. Frederickson. All in favor, all aye, no opposed. Motion carried.

3. Report on La Pointe Library Board participation and financial assistance for Solar Planning/Design.

An email response was received on August 4, 2014 from Kimberly Jones, acting president of the Library Board, in regards to the letter dated July 30, 2014 from the AEC regarding financial assistance for this project. Kimberly thought there may be money available. Connie Ross, Library Director, said the Library Board meets on August 14th and until then she cannot give a definite answer. She asked if the monetary request is for the study only.

L. Bean said this is for the planning and design of the system; no equipment purchases are involved. There will be a required exemption application which will allow, if approved by the DNR, to use the Materials Recovery Facility (MRF) enclosed landfill site. Connie asked if other entities have been asked to help pay for the planning and design. L. Bean said not as of yet. The Town Board has put \$10,000 in the budget for this. The Library Board was contacted because the Library Board had expressed interest in solar and alternative energy; no other entity has expressed interest.

Connie asked what Town buildings would be served by this installation. L. Bean said the RFP is to meet all of the Town's electric load on an annual basis with solar and then backing up the solar with a microgrid in the case of an emergency. There are at least a dozen Town sites with meters. The dock, the MRF and the Town Hall are the big users and there are also several small users such as the plug in for the windsleds on Sunny Slope and the antenna on Miller Farm Road.

Connie has seen only the RFP and not the plan. L. Bean said 4 proposals were received and after discussion by the AEC two of the proposals are being considered. Waggie will put copies of the two proposals and subsequent discussions in the Library mailbox at Town Hall. To be noted - both proposals cost more than the money the AEC has available.

Kimberly Jones referenced a fundraising account from the event at Coole Park in her email. Connie said there is the Wish List campaign which shows a balance of \$4,700 as of 6/12/14.

Connie has deposited since that date and will find out the exact balance from Barb Nelson, Administrative Assistant.

L. Bean said we would like some assurance that the Library Board's participation and financial assistance will be discussed at the Library Board's August 14th meeting. Connie said this will definitely be an agenda item.

4. Review of Responses to the Request For Proposals (RFP) for Planning/design of Solar Micro-grid for the Town and Possible Recommendation to the Town Board for contract.

L. Bean talked to all four contractors. He told two of the contractors they did not get the contract and he told the other two that they were in the final running. Both of the final proposals are roughly equal in terms of what the companies will do, both companies are willing to negotiate and are also equal in cost. The original proposals were for \$20,000 and \$25,000 and are now down to \$15,000 at this point.

Discussion of the email from Common Sense Development, who works with Chippewa Valley. Common Sense Development would like to suggest limiting their scope of work to the first phase of the project. The last paragraph of the email states that a forwarded email is attached from the Chequamegon Bay Engineering Group and "confirms our ability to stay within your budget and still deliver the Expedited Exemption. \$2050 would be committed to the engineering, \$550 to the DNR application fee and the remaining \$7,950.00 for Chippewa Valley Alternative Energy services."

Question if this proposal is \$15,000. L. Bean said yes. This email tells us that they will do the proposal in two phases and does not include the microgrid work.

Discussion of the expedited exemption at the MRF. The North Wind proposal acknowledged that they have worked with the DNR and Tom Bennwitz who did the site visit and report on the MRF site, so their engineering firm would do the work for \$950 or less. To be noted, Robert Germer in Spooner has now identified himself as the point person so it is not Tom Bennwitz. Chippewa Valley has been working with Robert Germer extensively. Pete Clark pointed out that the Town and Chequamegon Bay Engineering are currently in conflict over charges from another project. L. Bean said that Chippewa Valley has indicated Chequamegon Bay is not the only choice they have.

Discussion of the utility bill at the Town Dock. The dock lease, which ends in 2029 between the Madeline Island Ferry Line, Inc (MIFL) and the Town provides that the MIFL pays the entire utility bill. This utility bill shows up as a Town bill; the Town debits the MIFL so there is no energy savings for the Town. Suggestion that this committee approach the MIFL to participate in this study because it directly benefits them. Electric costs for the dock are about \$4,000/year. Motion by G. Carlson that this committee write a letter to the MIFL similar to the letter that was sent to the Library Board. Second, T. Banner. Discussion. Suggestion to add to the letter that we know the cost of electric use is \$4,000/year and that they have a contract with the Town until 2029 so there would be a major savings that would be of value to you. The approximate cost of electric use until 2029 could be \$60,000.

Connie returns to the meeting and is updated in regards to the letter to be sent to the MIFL. Connie updates the amount in the Wish List Fund: \$23,426.00.

All in favor of the motion on the floor, all aye, 0 opposed, motion carried.
L. Bean will write the letter.

Discussion of the two proposals.

Question if the two proposals compare apples to apples. L. Bean said yes. Chippewa Valley and Common Sense Development had 3 people on the Island for a two day visit. To be noted is that Chippewa Valley responded when the AEC sent a letter to 40+ people asking if they would be interested in working with this committee in regards to solar.

North Wind submitted a very professional, technically sound proposal.

L. Bean scored Chippewa Valley marginally higher than North Wind. If he were to write the contract for Chippewa Valley he would specify that Chippewa Valley list 3 solar collector products; 3 racking systems including one that would be adjustable; and 3 inverters for us because Chippewa Valley is the vendor of one system, the TenK system. The committee should know what else is available.

B. Henry said we have two qualified contractors and based on the fact the North Wind proposal on paper was about \$4,000 cheaper than Chippewa Valley you would say North Wind should be awarded the contract. However, both companies have been notified that their prices are beyond our ability to pay and both companies have indicated verbally or on paper that they would reduce the cost. L. Bean said that is correct. B. Henry would like to ask each company to put that cost in writing in a formal manner so we really have apples to apples comparison.

L. Bean said North Wind has this on paper. Their second proposal, emailed July 31, 2014, states the cost is \$15,000. L. Bean said North Wind requested that I discuss the following with the committee: There are regulations from the Public Utility Commission and rules that Excel Energy follows: the net metering, which means turning the meter back paying us the retail price for electricity is valid up to 100 Kwh. So if we go with a 180 Kwh (*kilowatt system*) at the MRF we are going to get around 3cents a Kwh. The 100 Kwh (*kilowatt system*) would get us 12 cents/Kwh so the 3 cents/Kwh is not a cost effective proposition. This means there may be several installations for the different meters: Town Hall, behind the Clinic, the Airport and at MRF. That is why we are hiring someone to do a plan/design.

Chippewa Valley has further defined their proposal: \$10,000 for a partial task; \$15,000 for the whole task. This is not in writing. Chippewa Valley's original proposal was \$24,700 or \$24,900.

B. Henry would like to see on paper that says Chippewa Valley can do this work for \$15,000 and what that work is. Agreement by the committee.

L. Bean said one path the committee can follow is that the committee can wait for Chippewa Valley to put the cost and what will be done in writing. The committee would meet and consider what Chippewa Valley submitted. Or, the committee could authorize L. Bean to negotiate with Chippewa Valley and if Chippewa Valley provides the information requested Chippewa Valley will be the company the AEC will recommend.

Motion by G. Carlson that the AEC authorizes L. Bean to have a discussion with Chippewa Valley and if Chippewa Valley agrees to \$15,000 in writing we will recommend to the Town

Board that they engage Chippewa Valley for the project. Discussion that Chippewa Valley needs to be aware of the conflict between the Town and Chequamegon Bay Engineering. Second by T. Banner, all in favor, all aye 0 opposed. Motion carried.

5. Discussion and/or Formation of Advisory Team for Solar Micro-grid project.

On the Advisory Team could be Bob Germer of the DNR in Spooner and Dr. Mallory from St Thomas, St. Paul who is an expert on microgrids and has worked with Excel Energy for 15 years. Mr. Mallory would be aware of the Excel rules that might limit what we would consider. The question in regards to the 100 Kwh system that Excel allows, is that from one customer, one account or one meter?

6. Regional Energy Activities.

There was a good discussion about energy at the Chautauqua Pie and Politics gathering. The presentation by Mark Abeles Allison, Bayfield County Administrator emphasized what Bayfield County has done in regards to solar installations. However, he did not talk about wind on Mt Ashwabay. Until a developer is found they will not pursue wind energy even though, according to Bob Owen, consulting engineering and meteorologist, there is enough wind to do a 20 megawatt installation or 3 turbines. The bird issue is a non issue but bats are an issue because bats fly behind the turbine blades and the pressure change explodes their lungs. The group concerned with alternative energy in the Chequamegon Bay region met June 26th.

7. Set next meeting and agenda.

L. Bean asked Pete Clark if there is anything on the budget. Pete said no, but the committees need to start talking about their budgets.

B. Henry asked if grant writing will begin after the study is finished. To be noted is that we will need letters of support to accompany the grant applications. One person who could write such a letter is Lauren Azar who suggested the Island should consider a microgrid. At that time she was the policy advisor to the Secretary of Energy and has been the chair of the Public Utility Commission in WI. We need to think of others.

B. Henry asked whose budget this committee would be covered by in regards to grant writing. Lisa Potswald said that since the former Zoning department is now Planning and Zoning grant writing would be a part of the planning function. Just tell her what sources you want.

L. Bean said he liked about Chippewa Valley that he did not hear from North Wind is that Chippewa Valley talked about using local labor to assemble the racking. T. Banner said there is a minimum amount of training up front and once installed, there is very little maintenance as opposed to wind turbines. L. Bean said we would need assurance that someone would, twice a year, adjust the angle of the collectors.

The Town Board meets on August 12, 2014 and the Library Board meets on August 14th. The next meeting of the Town Board is August 26th.

B. Henry suggested the AEC give the Town Board, through Pete Clark, a single sheet of paper stating what we have just said – that both are acceptable proposals. Pete said he will reference this in his report to the Town Board for the August 12th meeting. B. Henry said to add that the committee is prepared to come to the Town Board on August 26th for the Town Board's final approval. B. Henry asked if Pete would want an official paper. Pete said yes, he could then attach that paper to his report. L. Bean will send the information to Pete basically saying the

AEC is considering two contractors and in addition to the \$10,000 that is budgeted, the AEC has approached the Library Board and the MIFL for funding. The AEC anticipates coming before the Town Board on August 26, 2014 Town Board meeting with a recommendation.

The next meeting of the AEC is scheduled for Wednesday, August 20, 2014 at 10am.

7. Adjourn.

Motion by B. Henry to adjourn, second C. Frederickson, all in favor, all aye, motion carried.

Meeting adjourned at 10:55am.

Minutes taken from recorder and respectfully submitted by Kathy Erickson, Clerical Assistant

Minutes approved as corrected, August 20, 2014; changes struck through; corrections in italics.