

Green Energy Committee
September 30, 2010

Mark Beaton, chair; Gerard Walraven, Gene Wyatt, Pine duBois (meeting minutes), Mike O'Meara, Tony Nessaralla

from Finance: Mimi MacGinnis, Larry Hunt, Claire Soares, Paul Ricci,
Elaine Fiore

Also present: Jill Myers, Tom Bott, Steve Weihl

Mark describes agenda

On wind turbine project:

1 response to RFP-D& C construction out of Rockland—has experience in
Hull & Falmouth
\$347K

W & S –Steve—arguable want more than one—but this one is good—all required elements, all
resources, and plan—including Qualls, bid form, requested surety in form of bid bond.
Reference is to the Memorandum of this date: Lease for Renewable Energy Facilities

In Falmouth—D & C also did Falmouth first wind project and Hull project/ on landfill/ which is
what Kingston is modeled on—unique. And Hull is successful so that is a good level of
experience

Their level of experts is a good team. Theirs is 40% equity and 60% debt—which is a good ratio

They brought in same engineer for land-fill requirements as has been used before
On paper they have a team that is good and ready to build
Still some details things need to be looked at and answered—via a negotiation

Town electricity use has to be verified—so complexity of gas and electricity has to be sorted out
to be eligible so that the PPA can be executed—that Kingston has enough demand for the power.
(PPA is Power purchase agreement) Now Kingston is paying \$.16—contract would be for 0.11)

The risk is that if we sign the contract for X amount and the cost of power goes down—that is a
risk—there is data that shows that costs continue to go up—
Option is lease instead of a contract for receipt of power—is safer for them.

We could agree that the contract is .04 less than the current rate—Larry Hunt suggests that it be a
percentage of the current rate rather than 4 cents below....don't want to be locked into bad deal.

Currently electricity rates are going up an average of 3.4 cents annually.

Steve continues—there are nuances that still need study—however the offer seems to be reasonable and viable...W&S will look at that more closely

They have to have a meter installed—there needs to be 2 meters.—NSTAR pays town for production, Kingston pays NSTAR which should be less and value should come from there.

Standard element in PPA is estimated production—is there a floor for output (in case the turbine is not producing)—what happens? Needs to be worked out.

Larry asks about rate

Paul asks about savings to residents

Mark point out Enterprise fund: everyone agrees to discuss enterprise fund at another time.

Steve: Points out that there needs to be town counsel advice relative to lease agreement —should property be taxed or not—what does DOER say?

Is lease in lieu of taxes?

One way to make sure that funds go to benefit town is to tax the capital improvement—which would be substantial—would go to budget rather than Enterprise fund.

More benefits financially because this is a municipal project—which is based on where the meter is—D&C needs to clarify.

Gene asks: relative to the cost of electricity at the WWTP—

This is the reason for another service drop/green meter for the wind turbine—the rate structure is based on the service load—which is based on the turbine—which will be a 100KW turbine when the turbine is not making energy.

2 meters—one that we are charged from and one that we are credited from.

Larry is it ever possible that we pay more then they pay us?

Yes—these are issues for the net metering—under a” schedule z” which is possible several times a year

Class 3 credit for example can be less for us then them.

We would need to limit the downside of the risk—they should not pay us less for our power then we pay

Concern that the long range planning takes into account that energy prices are going to continue to rise—they may not rise at the same rate of 3.5% forever—conservative would be 2% but the likelihood of energy rates coming down is high.

Decommissioning is responsibility of D&C—Fiscal surety.

Is there room for more? Are turbines becoming more efficient?

Steve—need 50 ac per turbine to have the room and escape wake effect.

What is available and who is willing to support it?

Vestas now a 1.8 is a platform

Now there is a Hyundai—a 2MW machine is possible—according to D&C this is OK—but we have to be sure that there is no patent infringement

GE will not come to Kingston

The machines picked out because of availability and appropriateness

Vestas has a few machines available—so depending on the timing of the contract and what is then available—there is a machine for Kingston.

D&C will come to the next GEC meeting that will be an open meeting—which will be sooner rather than later.

When contract?

Under their bid—perhaps December 1—but that would be after negotiations

Hyundai may need more height than 400ft.

Planning Board can grant height up to 418 feet—does not have to go to ZBA—

SOLAR

Bidders: differ, there are three— a 1MW, solar farm, one is 2 MW, one is 1.5MW

As far as dollar figures—

1. Ameresco-Lease of \$20K yr plus PPA, (10X Borrego ?)

2. Borrego Solar--\$45K/yr per MW—plus 6cents? a KW in PPA—Taiwan—very solvent, but not as big as Ameresco. Taiwan wants to spend money in America-specialized in solar

3. D&C: ranked 3rd but attractive—because they have
100K yr/plus 5cents each KW—

Interesting because they will get turbine—it might work better because they will have both contracts—their partner is Hyundai Industries which is all over the world.

Worthy to talk to all of them to see what they bring to the table and how it can work for the town.

Bidding process on wind vs. solar—is simultaneous

Bidding is separate.

But serious consideration needs to be given to organization of work on the site so that the wind and sun projects can co-exist and not burden the other.

Fin Com leaves at 8:25PM

Enterprise Fund:

Revenue from the wind and solar projects goes to enterprise fund this could create low interest loan fund for residents to make green improvements on their property and...

Pine read minutes of Aug 26th, Gene moved to approve, Jerry, seconded—Five in favor, Mike abstained.

Discussion of Energy Consumption bills—Jill is meeting with Department heads to encourage them

Community Farm/Gardening—Mark discussion with Cretinon's Norwell—CPA funded salary to person to run Community Gardens in Norwell—working!

Gene describes potential for using organic waste from KES and KIS —composting for Cretinons.

Discussion of Pawtuxet Park for community gardening....mowing now in prep for next spring.

Motion to adjourn Tony, 9:00, second by Mike all in favor.