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East Bay Energy Consortium Meeting Minutes, February 1, 2010

East Bay Energy Consortium

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East Bay Energy Consortium

Representing the following Communities

Barrington	Newport
Bristol	Portsmouth
East Providence	Tiverton
Little Compton	Warren
Middletown	

Chair – Jeanne-Marie Napolitano, Vice Chair -Andrew B. Shapiro
Treasurer- Diane Williamson, Secretary- Jeanne Boyle

Regular Meetings of the East Bay Energy Consortium are held the first Monday of each month, at the Roger Williams University Library, third floor Library Board Room. Meetings start promptly at 8:30 AM
Coffee, Bagels and Assorted Fresh Fruit, provided by our host, Roger Williams University

February 1, 2010 8:30 a.m. – 10:00 a. m. Roger Williams University Library Third Floor – Library Board Room

Present: Anne Wolff Lawson, Lee Arnold, Bob Palumbo, Merritt Meyer, Deborah Crowley, Daniel Mendelsohn, Larry Kunkel, Chistine Weglowski Forster, Joseph Fraioli, Gary Gump, Bob Mushen, Jeanne Boyle, Allan Klepper, Garry Plunkett, Barbara Grota, Walter Burke, Jeanne-Marie Napolitano, Andy Shapiro, Joseph DePasquale, June Speakman, Jenny Pereira, Janice Black, Don Wineberg, Dennis Culberson, Julian Dash.

Agenda Items 1,2,3,4:

Call to Order made by Jeanne-Marie Napolitano at 8:45am. Mayor Napolitano welcomed all EBEC members and guests.

Agenda Item 5:

Minutes from the 1/11/10 meeting were reviewed. A motion (Napolitano/DePasquale) to accept was approved unanimously.

Agenda Item 6, Treasurer's Report:

Andy Shapiro gave the Treasurer's Report. He shared that Diane Williamson could not be here to give the report due to a family health issue. Andy reported that Diane is requesting an extension for the EBEC name with the Secretary of State's office. He noted that towns are expected to catch up on their pledged cash contributions. So far, EBEC has received cash from the following towns: Warren, Tiverton, and Barrington, totaling \$5,000 in contributions. Expenditures for December were reviewed. Includes payments to The Providence Journal, RWU's Marine Affairs Institute, and the Arnold Group. Bob Palumbo reiterated how important it is for municipalities to make their contributions. Andy Shapiro added that if a town can't give a contribution, then they should report in to the board, so it is on the record.

Mayor Napolitano requested that a printed copy of the Treasurer's Report be provided at each monthly EBEC meeting from now on. Motion (Napolitano/DePasquale) to request that a hard copy budget be provided with each monthly Treasurer's report was approved with no opposition.

An announcement by Barbara Grota, Assistant Dean at the Gabelli School of Business, was made regarding Roger Williams University's new printing sustainability policy which means that RWU can no longer provide hard copies of materials for monthly EBEC meetings.

Agenda Item 7: Phase I Consulting Report, ASA:

Dan Mendelsohn passed out hard copies of his report and said it will be circulated electronically as well.

- he stated the data load summary to be 6.2 megawatts on average.
- New England is the most expensive area to develop a project like this.
- Middletown, Newport, Tiverton and Little Compton have the best eligibility for a regional wind system.
- Dan asked for permission to chat with Andy Dzycewicz regarding a potential "turbine co-op" in Tiverton and to arrange for a visit.

Mayor Napolitano asked guest speaker Larry Kunkel, Governor Carcieri's Senior Energy Advisor, for some input on EBEC's accomplishments thus far. He stated that what we are doing is exactly what the governor wants to see and that we are going down the right path. He put together an informal presentation based on a renewable energy process model to share with the group.

Items which were discussed:

1. Siting
2. MET towers define load/capacity – 1 year's worth of data is ideal. 6 mos. is ok.
3. Land, capital expenditures, soft costs, transmission.
4. Incentives for partnering with a private organization or for becoming a public/private organization:
 - a. 30% federal rebate
 - b. Accelerated depreciation
 - c. ISO credit
 - d. Carbon credits
 - e. 4% RI Renewable Energy Tax Credit
 - f. 10% state general tax investment credit
5. Non-Utility scales/EEC Block Grants – recommends pooling EEC \$\$\$
6. Ownership Structure
 - a. Private partner
 - b. Public consortium
 - c. Combination of the two
7. Capital Structure
 - a. Land (equity)
 - b. Cash/ real equity
 - c. Value of the incentives
 - d. Leverage

- e. Debt
- f. Tax credit bond program (ARRA)
- 8. Power Model
 - a. Net Meter?
 - b. PPA?
 - c. Cost per kilowatt
- 9. Investment Return Model/Return on Investment
 - a. Warrantee Life:
 - i. 60% leverage/25 years = 19% investment return
 - ii. 60 % leverage/30 years = 22% investment return
 - b. Useful Life:
 - i. 70% leverage/35 years = 23-24% investment return
 - ii. 70% leverage/40 years = +26 % investment return

Andy Shapiro asked Mr. Kunkel who do we need on board to get to the point where we achieve healthy returns? He responded that he'd like to stay involved. Andy also asked if there were development dollars to help support this effort. Mr. Kunkel said that the RI Renewable Energy Fund would be a valuable source. He went on to say that the ARRA/EEC block grant funds can be pooled and we can apply as a consortium. Mr. Kunkel added that solar can enhance the project since the best solar sites are the best wind sites.

June Speakman asked if the state land will need to be added to the project. Andy Shapiro and others suggested that will be considered for Phase II. Dan Mendelsohn suggested that State land is secondary at this point.

Garry Plunkett stated that he is concerned over DEM/Fish and Wildlife. Mr. Kunkel suggested he contact Michael Sullivan at the DEM.

Allan Klepper asked if Mr. Kunkel could comment on models for putting us together. He said assume you have a private developer, assume you are an LLC...the percentage of ownership and rate of return is traceable back to how much a municipality can contribute. 51/49% would be ideal. EBEC owns 51% and private investor owns 49%. No buy back is available until the eighth year, which can be more expensive the earlier it's bought out.

Joe DePasquale asked if he knows someone who can help out with the economic model. Mr. Kunkel volunteered to do this.

Joe Fraioli asked if he could recommend a good legal model. Mr. Kunkel recommended going for an RFP and said he knows a legal firm familiar with wind: Joe White from Nixon Peabody.

Agenda Item 8a: Technical Committee Update:

Andy Shapiro requested if the joint Technical, Budget and Legal Committee working group can have permission to commence Phase II negotiations with ASA. Motion (Shapiro/DePasquale) was seconded (Napolitano/Boyle) and approved with no opposition.

June Speakman asked about joint committee meetings. Lee recommended looking at the list of EBEC towns and inviting those who have not participated previously to the table. June followed

up by saying that a member of each community should be present to hear the substantive discussions. Joe DePasquale thinks the three committees should merge. Lee Arnold disagreed and said this would be a disservice.

Andy Shapiro requested a Call to Order to confirm that the motion to continue with the ASA Phase II negotiations was approved. (see above)

Christine Weglowski Forster commented that she's not sure if she continuously receives all EBEC email communications. Joe DePasquale assured her that communication via email is sent out regularly by Anne Wolff Lawson.

Motion made (Napolitano/Burke) to authorize Dan Mendelsohn to make a site visit with Andy Dzycewicz and chat about the potential turbine co-op in Tiverton. Mayor Napolitano advised that Technical Committee members and representatives from Tiverton should be present during the site visit with Andy Dzycewicz on February 3rd. Approved with no opposition.

Agenda Item 8b: Legal Committee Report

Joe DePasquale stated that the Legal Committee met in joint session to discuss the legal RFP. Motion (Napolitano/Shapiro) to permit Legal Committee to create and disseminate a Phase II Legal RFP. Joe added that he requests Larry Kunkel join the Legal Committee. Lee Arnold clarified that the motion should be clear – that it refers solely to the RFP. Andy Shapiro stated that he estimates the Phase II legal costs will be around \$10,000. Garry Plunkett feels the Phase II RFP will be easier to develop this time since we can reference the Phase I RFP.

June Speakman noted that she had not seen any minutes from the joint committee.

Motion (Napolitano/Shapiro) to permit Legal Committee to create and disseminate a Phase II Legal RFP. Approved with no opposition.

Agenda Item 8c: Budget Committee Update

Phil Hervey is the official Budget Committee Chair. The Budget Committee requests bridge funding from the RI Renewable Energy Fund/RIEDC. Julian Dash added that this would be an amendment to the existing grant contract. Motion (Hervey/Fraioli) was put forth to request supplemental funding from RIEDC/Renewable Energy Fund for Phase II of the existing grant. Approved with no opposition.

Agenda Item 9: New Business

1. Portsmouth Wind Turbine Tour: Gary Gump asked who would be interested in a tour of the Portsmouth turbine tentatively (weather permitting) scheduled for February 10th at 10am. followed by a meeting at Portsmouth Town Hall. Walter Burke agreed to assist with arranging for bus transportation from Bristol.
2. Tour of ASA Headquarters: Andy Shapiro stated that ASA's headquarters are impressive and a must see. ASA is offering lunch. All who are interested should contact ASA.

3. Gary Gump suggested we think about a news release or a newsletter that would share a snapshot of where we are in the process.
4. Don Wineberg encouraged everyone to consider the public private partnership introduced by Larry Kunkel.
5. Walter Burke likes the newsletter idea. Encouraged everyone to think about writing a letter to RWU President Roy Nirschel to thank him for the university's commitment to resources and support of the project.
6. The meeting with Andy Dyzcewicz regarding the Tiverton co-op project will be attended by Joe Friaoli, Dan Mendelsohn, Andy Shapiro, Garry Plunkett on Friday, February 5th at 9am.
7. ASA is looking for permission for some publicity via a press release. Dan will send a draft to Mayor Napolitano.

Agenda Item 10: Next Meeting Date

Next EBEC meeting is scheduled for March 1, 2010.

Agenda Item 11: Adjournment:

Motion (Plunkett/Gump) to adjourn at 11:15 a.m.

Minutes submitted by Anne Wolff Lawson, Leadership Institute at Roger Williams University (awlawson@rwu.edu or (401) 276-4844).