



City of Ann Arbor

301 E. Huron St.
Ann Arbor, MI 48104
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Meeting Minutes Energy Commission

Tuesday, May 14, 2013

6:00 PM

City Hall, 301 E. Huron St.

CALL TO ORDER

Appleyard called the meeting to order at 6:03 PM.

ROLL CALL

Present: 10 - Charles Hookham, Wayne Appleyard, John Hieftje, David A. Wright, Michael Delaney, Kenneth J. Wadland, Brigit Macomber, Cliff Williams, Mike Shriberg, and Mark Clevey

Absent: 2 - Joshua Long, and Diane Kurz

APPROVAL OF AGENDA

Approved unanimously on a voice vote.

APPROVAL OF MINUTES

Approved unanimously on a voice vote.

13-0568

Attachments: DRAFT Minutes Energy Commission 4-9-13

PUBLIC INPUT

None

ENERGY REPORT - NEWS FROM THE ENERGY OFFICE AND COMMISSIONERS

Geisler: Michigan Energy Forum, June 6 from 5-7 PM at SPARK Central in Ann Arbor. Topic: Renewable Energy on Brownfields and Landfills.

Mayor's Green Fair is Friday, June 14th from 6-9 PM. **Google Office** tour on sustainability elements, May 20th from 5-6:30 PM in their Ann Arbor office. Updated green fleets data near completion. Will update next time on meeting the 2012 goal of reducing fuel consumption 10 percent. Staff has put into the City Council queue the agreement with CDM Smith to do the environmental assessment work (NEPA compliance) for the wind project. If Council approves this assessment contract there would be a stakeholder meeting that would have Commission involvement, in addition to other planned public meetings.

Appleyard: Michigan Energy Fair, June 7-8 in Ludington (Mason County Fairgrounds). Friday is for professionals, Saturday the general public. Last week global CO2 concentration reached 400 ppm (LA saying they will end use

of coal by 2015). Two California cities requiring new developments to have solar. Michigan is the second highest temperature increase state measured since the first Earth Day (around three-quarters of a degree F per decade).

Geisler: GLISA has reported that precipitation within Ann Arbor is up 25 percent comparing 1950-1980, and 1980-2010.

Arbor Wind Presentation - Dilip Nigam

Nigam: Seven years of research and testing in Marshall, MI with this vertical axis turbine with good results such that seeking to bring into production later this year. Ann Arbor SPARK and State of Michigan have supported the product, but a lot of credit goes to technology development in the 1970s-80s by US and Canadian governments. In the last 50 years, energy costs have gone up over 500%, and many commercial/industrial users finding it can be their second highest cost. Patented turbine components: strut free blades (from Energetics), center post (stability without needing guidewires), smart electronic controls, and direct drive (no gear boxes, less noise).

Vertical axis turbines like ours are omni-directional, meaning they get at whatever way the wind is blowing. Much safer for urban applications. Working on a 60 kW unit. If you have great wind we think you can get 5 cents per kilowatt hour. Audubon Society says they like how this design allows birds and bats to better see the blades. ArborWind walks customers from A-Z on site selection, getting the best tower for the application. Safety system of machine shuts it down if winds get higher than it can handle.

We have a good warranty period bringing to market (5 years). We try to keep money in Michigan (97 percent of turbine investment). Other highlights (from slides): volume cost reduction, negotiable terms structure, energy produced is customer's, 5 year parts and labor warranty, 2 year warranty for generator and controls, target delivery Q4 2013, local company able to inform and educate students on vertical axis system. Even at low wind speeds there is a good return on investment. 60 kW machine can run a lot of large applications.

Clevey asked about Energetics blade manufacturer. Nigam explained they are a supplier out of Holland, MI with sizeable production capability.

Appleyard asked what wind speed is the rated capacity of the system based.

Nigam: 24 MPH.

Hookham asked whether they have power curves for height above grade?

Nigam: tested three different elevations (20, 60, 100 feet soon at Marshall location)

Fossil Fuel Divestment

Shriberg: Met with Pension Board and talked about things we have discussed here. Up to twelve cities as well as large universities that have passed divestment resolutions. FOIA request granted for the data they have available. Will wait for that before bringing a resolution.

Appleyard: Question of whether to set up a non-fossil fuel fund is one I have out there still with 350.org. This was a question from the Pension Board that we did not have an immediate answer to.

Wadland asked for summary of the rationale for fossil fuel divestment. Shriberg: Holdings of top 200 fossil fuel companies, if burned at current rate would mean we far exceed the 2 degrees C "safe range" scientists largely agree on. We can't make the case that our own or these other cities and universities divestment will actually make a dent in these companies' stock, it is more about whether we are socially sanctioning the burning of these reserves. The issue is similar to movements like apartheid or smoking. We should be supporting our climate goals not investing in things that go against them. We could move this money to local investment or things like the PACE program.

Wadland asked whether information gathered can be shared with individual stock holders who might wish to modify their own portfolios? (Shriberg suggested 350.org. Also a large body of literature on socially responsible investing to consider.) Studies such as one by the former CFO of Morningstar say that you are not putting your investment at risk, nor are you limiting options. Past performance of fossil fuel stocks are not the best way to evaluate going forward (given carbon limits that are likely coming). Appleyard talked of other recent papers exploring the risks in staying with fossil fuel investment.

Clevey: American Wind Energy Association meeting in Chicago had a panel of large energy buyers. Their opinion was energy industry is risky in general. Rather than divest in fossil fuel and then invest directly in renewable energy companies, they expressed it may be better to invest in those companies investing in renewable energy companies. Williams also explained these large companies know better the long-term price of energy when supporting renewables that have long-term power purchase agreements.

Hieftje: The Pension Board has a different fiduciary authority than the City as we think of it. Employee groups/unions have representation as well as at-large citizens with expertise. The Board hires an investment advisor to give them advise. A ballot proposal a few years back would change the charter so that the make-up is more at-large representatives. Until union agrees to this, they will have the majority, though this would not change the fiduciary responsibility issues. The key to this will be how other cities handled it. This is not something City Council could say the Board must do (we can only recommend). At one time before the recession, the pension fund was over 150% funded, now maybe in the 70% range, with recent forecasts predicting improvement.

Clevey said the large companies at the Chicago conference said they are willing to work directly with renewable energy companies on accessing their offerings, but also passing them on to their customers.

Commercial Building Energy Disclosure

Appleyard: Boston has come out saying they are setting up a disclosure requirement. In parallel with this I have been talking with some of the architects in town about setting up a 2030 District.

Hieftje: Council this year looks to have no cuts to the budget. June may be a good time for new initiatives, and this doesn't look like too difficult an idea to bring forward and get support for. Many companies would likely be surprised when they take a hard look at what they have been doing. (Staff has

approached the Attorney's Office to assist with researching the issue.) Commissioners Williams and Wadland offered to assist as something comes together following the attorney findings. Appleyard stated the Commission would need to think about what size of buildings would trigger the requirement and how to step that down over a period years as most cities trying this are doing.

D1 Zoning Input

Appleyard to set up meeting with other Commission members involved. Talking about reviewing the allowances for developers to do larger buildings, and determine whether these are still what she should have. The Huron St. development has raised the issue of what to do about higher densities at the edge of one and two story homes, in the D1 district. (Hieftje pointed out this one site had a building in the 1920s with a similar footprint. Adjustments proposed for the building, by reducing floors from one end to the other, really reduce shadow impacts. The city forester does not think the large oak tree on the Huron site will be at risk from the development, if it proceeds.)

COMMITTEE UPDATES

Climate Action Plan

Geisler: Next week we are putting in a grant application to the Local Sustainability Matching Fund (from the Funders Network for Smart Growth and Livable Communities). The request must be in partnership with a community foundation. Grant is a 1:1 match between \$25-\$75,000. The idea is to bolster a climate coalition around the Climate Action Plan, modeled off of how Berkeley is trying to engage non-profits in implementing their Plan.

Energy Production

No meeting.

Renewable Energy Access

No meeting. Wright: We have discussed working with the GLREA to bring in local renewables people and companies in the area to see what they are doing and how we can assist. We need to do more brainstorming, as the Climate Action Plan points to renewables as having the biggest bang.

PUBLIC INPUT

None

ITEMS FOR NEXT AGENDA

Clevey: Next year April 28-May 4, the National ACI conference is going to be in Michigan (at Cobo Hall). This may be an opportunity to present the rental market project (Greening Rental Housing HUD grant) if there is headway, or a chance for the City to sponsor.

ADJOURNMENT

Appleyard adjourned the meeting at 7:00 PM.

Visit www.a2energy.org for community energy information in Ann Arbor,
or
www.a2gov.org/energy to learn more about the City's Energy Programs

Regular meetings shown Live and relayed on CTN Channel 16 and at
www.a2gov.org/ctn