



# City of Ann Arbor

301 E. Huron St.  
Ann Arbor, MI 48104  
<http://a2gov.legistar.com/Calendar.aspx>

## Meeting Minutes Energy Commission

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Tuesday, July 9, 2013

6:00 PM

City Hall, 301 E. Huron St. - 2nd Floor Chambers

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### CALL TO ORDER

### ROLL CALL

**Present:** 8 - Charles Hookham, Wayne Appleyard, David A. Wright, Kenneth J. Wadland, Brigit Macomber, Mike Shriberg, Mark Clevey, and VACANT COUNCILMEMBER

**Absent:** 3 - John Hieftje, Diane Kurz, and Cliff Williams

### APPROVAL OF AGENDA

Approved unanimously on a voice vote.

### APPROVAL OF MINUTES

Approved unanimously on a voice vote.

**13-0824**

Ann Arbor Energy Commission Meeting Minutes of May 14, 2013

**Attachments:** Energy Commission Minutes 5-14-13

### PUBLIC INPUT

None.

### ENERGY REPORT - NEWS FROM THE ENERGY OFFICE AND COMMISSIONERS

**Geisler:** Sally Tallberg appointed to MPSC (currently with MI Saves). Great American Adaptation Roadtrip underway. A blog from two UM students documenting US cities's response to climate change: [www.adaptationstories.com](http://www.adaptationstories.com). They documented Ann Arbor's stormwater utility. Mayor Hieftje an inaugural signee of the Resilient Communities for America campaign ([www.resilientamerica.org](http://www.resilientamerica.org)) - a resource for best practices and resources on climate resiliency. Huron River Day is Sunday July 14th at Gallup Park, main activities from Noon to 4 pm.

### MI Solar Works - Prasad Gullipali

**Prasad Gullipali of Sri Energy:** been in the solar industry for 3 years. Launching MI Solar Works as part of US DOE's Race to the Rooftop Challenge to get solar installed for less than \$1/per watt and get as much as \$10M in price awards (partnered with WARM Training Center). Working through a turnkey

solarization approach. Always promoting energy conservation measures first, on all projects. Biggest challenge with solar in MI is financing. Started first project on own house. (Provided various examples of regional projects in Metro Detroit and Ann Arbor area.) To overcome upfront cost challenge, Sri Energy created a Solar Aggregation Model, a group approach to drive costs down 30-40%. Refining customer acquisition process, permitting, financing & contracting, installation & service, all through aggregation. Part of the approach is to have set packages, like you would for sizing any home appliance (using various PV array sizes set in increments). At launch offering costs at \$3 per watt. Targeting associations, subdivisions, and other organizations to further drive down costs. Pushing ownership of the systems rather than lease arrangements (not that the latter cannot be done). Michigan Saves is one of the product offerings being used. Great Oak community of 40 plus individuals in a shared living arrangement, where a roof analysis was performed and a proposal made with costs just under \$3 per watt. A good example for the rest of the state of a group coming together to reduce solar costs. Beginning of August installations at this location should begin.

Cleavey asked about Interfaith Power and Light project. Mr. Gullipali stated that 20 churches and houses of worship are interested. Would have zero down financing. Lots of questions but strong interest and Sri Energy continues to work closely with all the participants.

Appleyard asked about the status of Great Oak project. Mr. Gullipali stated they have finalized the system sizes and given proposals to home owners. People are using various financing in addition to Sri's offering. (Appleyard shared that he was the original architect on the Great Oaks development and is pleased to see this happening.)

Shriberg asked of approaches being used in more conventional neighborhoods that do not have the close-knit, cooperative living design. Mr. Gullipali stated awareness building in some places is difficult, with some organizations (example of Canton) having bylaws preventing roof structures that must be revised in order to proceed with solar projects. Level of acceptance over time is increasing. Shriberg then asked about geographic proximity as being essential or not to the community approach Sri Energy is taking. If the radius among projects is within a half an hour, Mr. Gullipali said he thinks the aggregated approach still works (gave example of multiple congregations part of MIPL) can drive down costs and maximize efficiencies.

Hookham asked how MI Solar Works is dealing with the metering if locations are spread out. Mr. Gullipali stated that metering is still at each individual location/meter, since there is no virtual net metering in Michigan yet.

Wright asked whether there are differences in how participating communities are handling property tax assessments. Mr. Gullipali said not at this time. He confirmed the total installed cost seen is \$3 per watt, with the cost per watt increasing as the system size is reduced from the 5 kW standard offering. Wright also asked if a variety or one specific panel is being offered. Mr. Gullipali said they are using one US made panel and Ann Arbor-based Renova inverters, and a Michigan based mounting system.

Wadland asked if subcontractors are used to install systems. Mr. Gullipali said they are taking a team-based approach in each region they are working.

### Community Solar - Dave Konkle

Mr. Konkle is on the Board of Directors for and representing the Great Lakes Renewable Energy Association (GLREA) and project manager for a state grant they received on Community Solar. GLREA found from 13 different contractors around Michigan that roof mounted systems at <5kW are averaging an installed cost of \$4.56 per watt. If 5kW - 20kW it is around \$4 per watt. Do not see \$3 per watt until the system is over 150 kW (noting that Sri Energy/MI Solar Works offering is very good). In addition to the Community Solar Feasibility Study GLREA is undertaking, the US Dept. of Energy has a Guide to Community Solar published in 2010.

Community Solar would allow for residents, organizations, and businesses to share in cost and benefits of renewable energy production at optimally located facilities (often not at their own locations). Best programs should work like net metering, with offsets for the amount of solar generated. Much like community supported agriculture (CSA), except your investment will return payments for 20 years or more depending on the life of the system. 70% of homes cannot feasibly do solar, because of orientation, shading, they rent, or costs. Many aren't comfortable about being savvy in how to purchase a solar PV system. Utilities are offering buy-in programs for solar, but GLREA does not consider this Community Solar as you don't get anything back for your buy-in, just the added costs for the utility company to use solar.

Mr. Konkle showed a graph that showed the growth of Community Solar taking off in 2010. Not pervasive across the US, but in the last 8 months there has been a 20 times increase. Concentration mostly in three or four states but that is changing. Most of the guides on Community Solar say the best way to do it is to have the utility company sponsor it, which can advertise to its rate payers. Special Purpose Entity is other route, making it more like a development project. If utility runs program then credit on your bill is not considered taxable income unlike the shares received as payment under the Special Purpose Entity model.

Ninety percent of Michigan belongs to DTE or Consumers Electric, the rest belong to cooperatives like Cherryland in Traverse City, who can do Community Solar without strings attached. Started in April 2013 with a 25 year lease agreement. Total cost to buy a panel in the Cherryland array (after rebates) comes to about \$395, and you receive credits per year totaling around \$25. Project began with 48 panels, interest in it drove the count up to 200 panels. Wolverine Power owns the system and were able to take advantage of federal tax breaks (RECs also go to Wolverine).

In utility district areas Community Solar requires a MPSC pilot or enabling legislation. Projects without utility involvement have the barrier of SEC rules issues related to how the investors in the system are organized. Minnesota just passed energy regulations less than a month ago requiring a carve-out for Community Solar. SEC rules that are not cost prohibitive essentially require that you don't advertise the project and have less than 25 investors. Flexibility with net metering rules or definitions could further assist Community Solar. Need for getting at the true value of solar (peak time generation, RECs, less distribution losses than centralized generation). How to allow larger systems in Ann Arbor and getting around net metering system size limit of 20 kW, along with zoning/permitting barriers will also be key.

Clevey mentioned the issue of tree planting plans in Ann Arbor and possible approaches to mitigate heat islands in years ahead, especially in vulnerable population areas, and how this attempt to ameliorate the impacts of a warming climate poses some challenge to ensuring solar access/Community Solar locations.

**13-0870** Resolution to Encourage Community Solar Development in Ann Arbor

**Attachments:** Approved\_Resolution\_Community\_Solar\_Development\_in\_Ann\_Arbor-Commission\_07-09-13

Hookham explained proposed language edits in resolution.

Wright mentioned PA 295 and RPS cases with the MPSC as an optimal time to submit commentary in support of community solar.

Shriberg offered amendment removing language to make clear the intent of the resolution is the development of a MPSC pilot.

Clevey added clause stating community solar's potential as an economic benefit.

Motion passed unanimously with Commissioner Clevey abstaining.

Enactment No: R-13-283

### Fossil Fuel Divestment Resolution

Wright and Shriberg offered formatting changes, with staff making consistent.

Shriberg explained FOIA'ed information showed Pension Board investments totaling \$536M with a minimum of \$18M known to be holdings in fossil fuel companies (conservative estimate).

Motion passed with Commissioner Hookham voting no.

(Commission bylaws confirming passage of motions possible with majority of present members.)

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### Commercial Building Energy Disclosure

Appleyard stated one city is requiring more than just disclosure of energy usage (also energy audits). Hookham stated audit also helps with pinpointing the corrective measures they could make.

A subcommittee meeting will be set up to further discuss the topic.

### D-1 Zoning Input

Appleyard relayed Commissioner Kurz's question on whether LEED premiums in D1 can be strengthened. Planning Commission will have ultimate purvue but Energy Commission should pass along recommendation in the next couple of months. Council has given Planning Commission until October to give recommendations.

Appleyard said he would contact Wendy Rampson in Planning to see how enforcement of LEED requirements is working and how they are keeping track.

**COMMITTEE UPDATES**

**Climate Action Plan**

**Energy Production**

**Renewable Energy Access**

Wright said group is focused on the community solar issue. Lower Burns Park residents active and interested. Meeting scheduled July 23 at 5pm at Ecology Center's office. Also will be thinking about what Commission can do about the RPS cases before the MPSC and commenting on community solar.

**PUBLIC INPUT**

None.

**ITEMS FOR NEXT AGENDA**

Wright: review of community solar status and draft letters regarding the RPS.

Macomber: Commercial Disclosure proposal.

Hookham: Solar Plan implementation. Clevey: State is working with Clean Energy Coalition on solar ordinances which Ann Arbor could adopt as part of Solar Plan implementation.

Appleyard mentioned opening of Josh Long's Commission seat after his resignation.

**ADJOURNMENT**

Appleyard adjourned the meeting at 8:02 pm.

Visit [www.a2energy.org](http://www.a2energy.org) for community energy information in Ann Arbor,  
or  
[www.a2gov.org/energy](http://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](http://www.a2gov.org/ctn)