



City of Ann Arbor

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

Tuesday, October 13, 2015

6:00 PM from City Hall, 301 E Huron St, Second floor, City Council chambers

CALL TO ORDER

ROLL CALL

[Lenski and Macomber arrived after roll call and approval of agenda and minutes.]

Present: 8 - Kim Wolske, Brigit Macomber, Mark Clevey, Shoshannah Lenski, Stephen Raiman, Wayne Appleyard, Kenneth J. Wadland, and Noah Levin

Absent: 2 - Mike Shriberg, and Christopher Taylor

APPROVAL OF AGENDA

Approved unanimously on a voice vote.

APPROVAL OF MINUTES

Approved unanimously on a voice vote.

[15-1242](#)

Ann Arbor Energy Commission Meeting Minutes of July 14, 2015

Attachments: Energy Commission Minutes 7-14-15.pdf

Approved unanimously on a voice vote.

PUBLIC INPUT

None.

ENERGY REPORT - NEWS FROM THE ENERGY OFFICE AND COMMISSIONERS

Geisler: Hiring two new staff for energy and sustainability funded by budget amendment.

Organics management and biodigester request for proposal out for responses. Second level feasibility assessment and exploration of synergies with organics management collection.

City applied for grant for LED streetlighting to complete remaining conversions of lights. Grant is through the Michigan Agency for Energy.

September 20th was Drive Electric event at Whole Foods. Event well attended.

Mayor and State Representative Jeff Irwin were in attendance.

Michigan Interfaith Power and Light (MIPL) 10th annual sustainability conference was held at Peoples Church in East Lansing on October 9th – www.miipl.org.

Michigan Advanced Lighting Conference in Lansing on October 29th. Annual event hosted by Next Energy – www.nextenergy.org/malc.

3rd Annual Michigan Energy Innovators Gala on November 10th in East Lansing at the Kellogg Center. Hosted by Michigan Energy Innovation Business Council (MI EIBC) – www.mieibc.org.

Downtown Green Building Features Premiums - Megan Masson Minock, ENP & Associates

Masson Minock: Two years ago City Council passed a resolution to explore premiums and effectiveness. In March of 2015, ENP & Associates worked with planning staff to evaluate. In May and August, prepared zoning text amendments, which are provided in packet.

Downtown premiums are incentive of additional building space if developer provides affordable housing, green building, historic preservation, pedestrian amenities, or public parking. Zarragon West and South Main development examples of floor area ration (FAR) premiums. Not all developments use premiums. Developments in floodplain or historic districts do not qualify.

Premiums that were used by developers since 2009 include energy efficiency, residential, historic preservations, and LEED silver. Affordable housing, public parking, and pedestrian amenity were not used by developers.

Clevey: For residential premium, is the premium for building up, or is it for a larger footprint on the lot?

Masson Minock: Larger footprint not allowed. Building shell and base still has same parameters, and height is still regulated based on character districts.

Masson Minock: Premiums are incentives, and are only effective if used. No negotiations in premiums, as compared to planned use developments (PUD), which makes premiums more attractive. In state policy context, cities cannot require housing affordability or energy efficiency that is stricter than the state building codes, but can require design standards.

Wadland: What is an example of a required design standard?

Masson Minock: Tree placement or plantings, and certain types of glass to be used.

Clevey: LEED and AIA 2030 are stricter than state energy standards.

Masson Minock: LEED and AIA 2030 could be incentivized but not required.

Proposals for new incentives: Remove parking requirement for premium FAR and focus on short list to incent workforce housing and green building.

Levin: Is workforce housing the same as affordable housing?

Masson Minock: Workforce housing is a smaller window. Defined as 20 to 80% of average median income. Proposal to change premium to make residential premium available when 15% of floor area is dedicated to workforce housing.

Feedback from developers that workforce housing is not as attractive as other premiums.

Qualifications for energy efficiency premiums was too low and state energy code was updated. Planning commission proposed changing from LEED to AIA 2030 standards. Proposed a 50% reduction in fossil fuel, greenhouse gas emissions, energy consumption for a building type. Is this too high, too low, or just right?

Clevey: Is it possible to do on a sliding scale?

Masson Minock: Want to have some bar/measure of energy efficiency for developers to reach, but tried to do sliding scale for above baseline.

Wadland: What is the reference point for the reduction?

Masson Minock: Based on an inventory by building type conducted by Environmental Protection Agency (EPA) and AIA.

Appleyard: Reduction is not based on baseline code, but is based on a survey of existing building type usage. Hard to relate to existing code standards.

Clevey: Is this for new buildings or retrofits?

Appleyard: New buildings and is compared to average of existing buildings.

Masson Minock: AIA has related to code equivalents. Ordinance Review Committee of Planning Commission wanted feedback from Energy Commission on best tool to use and goal to set.

Macomber: Have you looked to examples from other cities?

Masson Minock: Other communities have amended energy code. Most premiums have been linked to LEED. Arlington County, VA has continually updated premiums as LEED updated, and they also incentivized elements outside of LEED.

Clevey: Is ASHRAE standard more prescriptive and more accurate?

Appleyard: It's different and easier to understand in some respects. AIA 2030 standard updates over time.

Masson Minock: Need to check with municipal attorneys to look into AIA 2030's targets.

Other communities have also awarded premiums based on points. Points could include energy efficiency improvements made to different buildings, or shared renewable energy. Could also include points for rain gardens, green roofs, reflective roofs, or alternative transit. What is the best tool to use and to gauge compliance? Are rewards scaled appropriately? Looking for feedback from commission. Available to meet with commissioners.

Appleyard: What is timeline for comments?

Masson Minock: Will return to Planning Commission in Mid-November and will also present to Environmental Commission and Housing and Human Services. Comments by end of month.

Appleyard: Concern with purchase of off-site renewable energy and certificates of renewable energy. Both are a by-year basis and will not carry on through life of the building. Also concerned with giving credit for energy efficiency completed at other buildings. Evaluation would be complex.

Masson Minock: Would apply to buildings in downtown.

Wadland: Should not receive credits for work done to another building, unless all credits are maxed out on current buildings.

Masson Minock: Could include a mix of both.

Clevey: Where are the AIA 2030 Districts? Would this effort help with the districts?

Appleyard: Movement to create a district in the area. Needs time and staffing. This effort may help support the effort. AIA 2030 does not provide funding for districts.

Masson Minock: Commission Bona sits on Ordinance Revision Committee and is involved in the AIA 2030 district conversation.

Wadland: Suggest a subcommittee for this topic.

Appleyard: Commissioners contact if interested.

Resolution/action on Lansing Energy Legislation

Levin: Suggest resolved section with renewable energy standards set at 30% should be in separate paragraph.

Lenski: Reactions to share. First, on the note that integrated resource plan (IRP) is not producing measured use of renewable energy; pre-2008 economics of renewable energies was different than now. Second, on whereas that wind and solar are cost competitive, wind is cost competitive with natural gas solar is not yet competitive. Finally on section which says most independent studies show value of solar is greater than value of retail – have seen studies that show this but many studies that show the opposite and different numbers. Suggest adding a footnote to study.

Appleyard: Study referenced includes several studies not conducted by utilities.

Raiman: Brought levelized cost of electricity numbers from US Energy Information Agency. Solar is highest.

Appleyard: The value differs from the levelized cost.

Lenski: Definition of value depends on study but may include carbon cost or cost of fuel avoided.

Clevey: Consider discussing externalities instead of just least-cost fuels.

Lenski: Current economic system does not internalize externalities like carbon. Utility customers are not being subsidized by solar.

Raiman: Suggest removing “subsidize” language.

Appleyard: When solar on a home is generating more electricity than the home is using, it feeds the electricity back into the grid and supports nearby customer’s electricity use with near-zero line loss and being sold at retail rate. Value that reflects more than just cost of producing natural gas.

Lenski: Resolution is conflating two ideas about cost competitiveness and value of externalities and policies.

Appleyard: Movement in Lansing to change net-metering, but added value from distributed generation can support bottom line.

Lenski: Believe the bill is proposing that net-metering compensation with solar be tied to current rates. Electricity does have to go through lines.

Wadland: Subsidies are involved with coal and natural gas. There’s a negative value to coal and natural gas and a positive value to solar and wind. Issue is not just cost.

Raiman: Not comfortable with 30% renewable portfolio standard. Not been accomplished by other areas. Hard to base policy on new innovations.

Appleyard: California just passed a 50% renewable energy portfolio. Will not happen right away, but will be advancements. 10% of electricity from DTE and Consumers is stored through pump storage.

Clevey: Remove paragraphs 6 to 8 to put focus of resolution on renewables and environmental values.

Macomber: Break out net metering and RPS into two resolved clauses and

change second to last resolved to include range from 15% to 30% for RPS.

Motion to Approve Resolution as Amended - Resolution Approved as Amended (with Mayor Taylor handling sponsorship and placement on City Council's agenda)

Ayes: Appleyard, Clevey, Levin, Macomber, Raiman, Wolske

Nays: Lenski, Wadland

Discussion of Retreat Follow-up Summary

Appleyard: Retreat produced list of work plan items for the commission. Looking for feedback on items and commissioners to volunteer to work on unassigned items. Will look to set up meetings for items. Sent out a poll to schedule a meeting for sustainable funding.

Wolske: Scheduled call for Friday to discuss group buys.

Appleyard: Contacted SEED program to follow up on benchmarking reporting options. Will continue to work on community solar. Possibility of setting up sustainability leadership team, but have not yet discussed.

Clevey: Willing to work on advocacy for energy legislation.

Wadland: Questions about items 5 and 6? Are there focused on joint committee meetings?

Appleyard: Focus is on trying to connect with new and existing council members as needed. Item 5 work item is potential quarterly meetings with other commissions, council, and staff.

Wadland: Willing to volunteer to work on council engagement.

Resolution Supporting Fermi-2 Relicensing - Commissioner Raiman

Raiman: Fermi-2 power plant initial license ends in 2025 and licensing process is going on now. Can learn more on Nuclear Regulatory Commission (NRC) website. Energy Commission nuclear subcommittee supports this process. Power plant provides primary carbon-free energy. Closing Fermi-2 and replacing with natural gas would result in additional greenhouse gas emissions equal to three times the reductions in the Climate Action Plan. Recommend petitioning NRC in favor of the relicensing. Plant has near-perfect safety record. Would like commission to support and then communicate to City Council. Suggest letter to NRC and support in-person at public meetings.

Lenski: Change resolved clause to include Energy Commission.

Macomber: When will the decision be made to extend the license?

Lenski: NRC will issue decision in June of 2016.

Wadland: Has this been discussed at previous meetings?

Appleyard: No.

Wadland: Resolution does not reference nuclear waste problem. Concerned about safety of plants. Continued production of nuclear material creates a market for nuclear arms.

Raiman: Waste is unsolved problem in nuclear power industry, but some plants bury waste. Waste is kept onsite at Fermi-2. Terrorist attacks on nuclear power plants are low-level threats. Reactor does create plutonium but hard to separate weapons-grade amount.

Lenski: Propose second resolution about storage site for nuclear power plant waste.

Appleyard: Concerned with moving ahead with nuclear without addressing waste storage. How long does waste need to be maintained in controlled

environment?

Raiman: Are sites to bury waste and other solutions identified. Radioactive isotopes have to be in controlled environment for thousands of years.

Macomber: Share concerns. Natural disasters, like earthquakes, occur in Midwest which could compromise a nuclear plant. Concerns about waste stored on-site and in Michigan. Fermi-2 provides power to large region and is hard to compare to City's Climate Action Plan reduction in terms of scale.

Raiman: Would have to set goals higher for Ann Arbor to offset Fermi-2 closing.

Lenski: Earthquakes with magnitudes from 7.0 to 8.1 recorded in Missouri in 1800s. Not feasible to get renewables to replace current energy sources in these short timeframes. Significant challenges to overcome. Support for nuclear.

Clevey: Already investment and risk in Fermi-2.

Appleyard: Plants are designed to withstand aircraft that existed when built.

Raiman: Maintain risk is low.

Lenski: Intent of resolution is to highlight the role of Fermi-2 in providing baseload carbon-free generation, which is key to meeting climate goals.

Appleyard: Period in 1994 where no electricity was produced, because years prior actions were being taken that caused failures of turbines. Potential for major problems in older facilities.

Raiman: Turbine failures are different than safety concerns with the reactors. Components are updated frequently.

Lenski: Generation loss from site would probably be replaced by coal. (Lenski wished to clarify at the next Commission meeting that her statement was intended to be that fossil fuels, including natural gas, would replace lost nuclear baseload, not simply coal).

Appleyard: Lifecycle costs are not carbon-free.

Lenski: With lifecycle costs, no energy source is truly carbon-free.

Appleyard: Generation of solar and wind is lower.

Raiman: Harmonization study from National Renewable Energy Laboratory found that footprint of nuclear slightly lower than solar and around same as wind. Should waste be included in wind or as separate resolution?

Lenski: Add resolved clause to encourage DTE and NRC to work aggressively to permanent storage solution.

Motion to Approve as Amended by Commissioner Raiman, Second by Commissioner Clevey

- Motion Failed

Ayes: Clevey, Lenski, Levin, Raiman,

Nays: Appleyard, Macomber, Wadland, Wolske

COMMITTEE UPDATES

No additional committee updates given.

Climate Action Plan

Community Solar

Nuclear

Sustainable Funding

PUBLIC INPUT

None.

ITEMS FOR NEXT AGENDA

Geisler: Barbara Lucas interested in presenting at December meeting on behalf of local climate change group. Looking to get feedback on presentation.
Macomber: Interested in other communities that have done group buys.

ADJOURNMENT

Motion to Adjourn by Commissioner Wadland, Second by Commission
Macomber
Approved Unanimously on a Voice Vote
at 8 PM.

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or
www.a2gov.org/energy to learn more about the City's Energy Programs

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