

City of Keene
New Hampshire

ENERGY AND CLIMATE COMMITTEE
MEETING MINUTES

Wednesday, August 3, 2022

8:00 AM

Council Chambers,
City Hall

Members Present:

Peter Hansel, Chair
Zach Luse, Vice Chair
Councilor Raleigh Ormerod (Zoom)
Councilor Bryan Lake
Jake Pipp
Paul Roth
Diana Duffy
Beth Campbell
Clair Oursler, Alternate
Jude Nuru

Staff Present:

Mari Brunner, Senior Planner

Members Not Present:

Linsey Edmunds

1) Call to Order and Roll Call

Chair Peter Hansel called the meeting to order at 8:06 AM and roll call was conducted.

2) Approval of Minutes- July 6, 2022

Chair Hansel asked for comments or questions on the minutes for July 6, 2022. Councilor Bryan Lake motioned to approve the minutes and Mr. Paul Roth seconded the motion. The motion was unanimously approved by roll call vote.

3) Community Power Update- Bob Hayden, Standard Power

Mr. Bob Hayden of Standard Power announced that the Public Utilities Commission (PUC) approved the [Community Power] rules as established by a joint group of stakeholders. They were a broad set of rules that allow a wide range of opportunities in community power programs. Those rules have been moved to the JLCAR group (Joint Legislative Committee on Administrative Rules) for their detailed work in converting the rules to actual laws. He expects this item to be on the August meeting schedule for community power rules.

Chair Hansel asked if there anything in the rules that affects our plan. Mr. Hayden responded that if there are, they are minor and the team is ready to resubmit at any time. Ms. Brunner added that they were resubmitted yesterday afternoon with some minor edits, so the 60 days clock should have started.

Chair Hansel asked if we were the first to submit. Mr. Hayden responded that they do not have documentation to confirm, but he had a high suspicion that we were.

Chair Hansel asked if there was good anticipation that the PUC will stick to the 60 day timeframe. Mr. Hayden said that is a very strong expectation of their behavior, but given the evolution of the PUC and Department of Energy (DOE) over the past year, he has a hard time giving a succinct answer.

Ms. Brunner said Good Energy had prepared a few slides that provide an overview of the energy market outlook. She asked if the Committee would like to view those slides, or hold off to a future meeting. Mr. Hayden was willing to speak to if the committee agreed. Chair Hansel approved the presentation.

Mr. Hayden started by saying that the City is on a great path for Keene Community Power. The recent rule changes were mostly administrative. The timeline, while aggressive, suggests that the City could be enrolling members this year. This is possible at this moment, but if there are changes to the possibility or probability of this timeline, they will inform the Committee.

Mr. Hayden, in reference to a slide displaying a graph showing the cost of residential default service, said that this has been his world for the past 10 years – selling electricity to schools, towns and commercial and industry (C&I) entities. In many ways, the average price of electricity has either stayed the same or dropped, largely because of the incredibly low cost of natural gas, particularly during a timeframe when the United States was making as much oil and natural gas as they could. That is no longer the case, and the impact has been that prices have skyrocketed. Last year at this time, he was selling electricity for 9 cents per kilowatt hour (kWh), and the year before it was 6.5 cents per kWh. Now, he is selling it at 15 cents per kWh, and the utility has gone to a default rate of 22.556 cents per kWh. That is was Eversource’s default customers will see on their next utility bill.

There reason for these price increases is twofold – one is about the New England ISO, and one is about the cost of natural gas. The New England ISO is our grid, and it is constricted as to what can come into the grid – the capacity of pipelines and electrical wires is limited, so our ability to get raw materials (natural gas and electricity in volume) is very low. That is called constriction. We also have a rising demand for electricity as we electrify our buildings and transportation. The primary generation of electricity is based on natural gas. On many days, natural gas may be generating maybe 65%, or even 80% of the electricity we are using.

On the day that Eversource had to buy electricity (June 14), natural gas cost \$9.30 per dekatherm. A few days after, there was an explosion of an export station in Texas. When that station exploded, it dramatically reduced the U.S.'s ability to export natural gas. While prices in the United States are high, the prices are even higher worldwide, so the U.S. exports a lot of natural gas. The capacity to export was reduced by about 18%, which created a glut of natural gas in our domestic marketplace. As a result, prices went down precipitously. They have already gone back up pretty high and are presently at about \$8.10 [per dekatherm].

Mr. Hayden said that this is what is going on in the market. What does this mean for Community Power? Right now, the residential rate "is horribly high". When the City was first talking about Community Power, electricity cost 7 cents per kWh and we were talking about saving half a cent. Now, with electricity at 22.5 cents/kWh, we will likely save some number greater than a nickel, which is significant. In this marketplace, people will feel the Community Power impact. Although the market is terrible, it will be a relief for Keene residents when we can implement this plan. Mr. Hayden has requested that Mayor Hansel send a letter to the JLCAR to act expeditiously with the hope that this will be approved and the City can launch a program by December.

Next Mr. Hayden discussed some of the market drivers other than natural gas. Other sources of electricity, which were factors as recently as five years ago (like coal) have been pushed out of the market. Coal usage has been dramatically reduced in New Hampshire, with only one or two plants remaining and the state has also eliminated most of the nuclear fleet. Previously, electricity was being made for 3 cents with natural gas that cost 2 cents (\$2 per dekatherm), it was costing 4-5 cents to make electricity with coal, 7 cents to make it with biomass, and it was taking 4.2 cents to make it with nuclear power – all those things would be great to have right now as supplements (with the exception of coal). Without those options available, it significantly limits our alternatives.

The broader market is transitioning to a new normal due to Russia's war in Ukraine. We are likely to see a dependence on natural gas exported from the US to Europe. The market today may be seen a year from now as not so bad. There is a push to move more and more fossil fuels off the grid as much as possible. This means other sources of electricity need to be promoted, such as solar, wind, etc. The cost of those generation sources are all now lower than brown power, i.e. fuel made from oil, natural gas, propane, jet fuel, etc. This includes solar plus – solar PV plus battery storage—that costs less than natural gas over 20 years.

Some of the future problems that could be seen with natural gas is related to storage. Natural gas is stored in caverns. The big storage caverns are not being filled up like they normally have been. The ability to pump out large quantities in the winter and summer (when we need it the most) is diminishing. This causes more upward pressure on the pricing.

With respect to market pricing, it is very difficult to really predict where pricing is going other than the general curve is pointing up. There are not many things that have downward pressure on

the price of electricity in New England or in the Country. There is a major effort to electrify homes, both heating and cooling, and vehicles, which provides upward pressure. If there was ever a time to build solar or the ability to charge the car from the excess energy from solar panels, this is the time to do it. Mr. Hayden noted that for the first time, the federal government even seems interested in supporting wind projects, which he has not seen in the last 10 years. He noted that this gives a general picture of the market and how it is changing. There is an opportunity to help be a part of the cure for the problems we've been discussing. He encouraged people to think about solar on their home, or if it isn't possible on their home, think about community solar for the neighborhood. These are all things that help avert this energy catastrophe we're in.

Mr. Roth asked what the outlook is on distribution costs. Mr. Hayden responded that there are two parts to that. He believes Eversource does a good job maintaining existing system, but the system is antiquated. He does think costs will continue to go up for some time, but they have been and will continue to be incremental. A national level program is needed to be able to fix national level transmission lines across the country. It is time to connect the country correctly. Chair Hansel asked about other questions. Vice Chair Zach Luse asked if Mr. Hayden had one or two options he believed City of Keene should be trying to promote. Mr. Hayden pointed out the easiest one to promote is solar. Anything we do fits under group net utility rules- the utility has to become the default battery and will have to make up for that with storage on site. Solar plus is cheaper than power made by natural gas.

Mr. Hayden added that with Mayor Hansel's direction, they looked at and talked about a couple of bigger projects for community power. Another thing that they hope to get into place is an early program to make sure that everybody who has solar has registered to get renewable energy credits. The previous process was tedious and is now much easier and we want to encourage those REC's to be part of the system.

With no other questions and concern, Chair Hansel thanked Mr. Hayden for his information and time.

4) Energy Plan work Group Report-outs

A) Weatherization

Mr. Luse reported that the weatherization group did not meet this month.

i) *Window Dressers*

Mr. Luse said the program is progressing nicely. They have received the certificate of insurance for the build location at 310 Marlboro Street. Habitat for Humanity is helping recruit and assisting with measuring, along with volunteers from Bensonwood. The group is currently working on organizing their own training for measurers so they can start going out to measure windows in homes. The next big thing is to find low-income prospects for the free inserts in order to meet goal of 20-50% going to low income. The Clean Energy team was reaching out to Southwestern

Community Services to see if they could help promote the program to people on fuel assistance. Mr. Luse and Mr. Pipp are planning to attend the Brattleboro build and the organizer of that build plans to come and assist with this build.

Ms. Campbell asked what the dates of the build will be. Mr. Luse replied that the build is scheduled for the end of October and beginning of November (Oct. 27- Nov. 3).

Chair Hansel asked whether this will be an annual event, and whether the ECC would take it over in future years from the Window Dressers program. Mr. Luse said that is possible; the group decided to go with Window Dressers this year, but some of the required trainings and processes are onerous. They have spoken with other partners, such as 310 Marlboro Street, the Rotary Club, and Habitat for Humanity. Once they get through this first build they are going to assess and decide whether they even want to continue with the build model. They spoke to Habitat for Humanity about possibly having an ongoing program where volunteers build the inserts as the orders come in. This seems to make more sense rather than building up to one big event; however, they want to wait until they get past this first event to make that assessment.

B) Electric Vehicles

Councilor Lake stated that this group had a planning session where they worked through a couple of the things that they wish to tackle moving forward. The group is trying to compile a list of when some organizations will be working on contracts for new vehicles, such as the school district. They are also trying to see if they could get dealerships involved and possibly collaborate on promotional events.

Mr. Luse said that, as part of the Keene Energy Week planning, the weatherization group had talked about trying to get dealerships and possibly the Monadnock Sustainability Hub (MSH) involved in doing another Drive Electric Event. Last year, MSH did a virtual event. He said he would like to collaborate with the EV group on a possible Drive Electric event.

Chair Hansel asked if there was an update on the fast charging station at food co-op. No member has any additional information. Chair Hansel thought their RFP was accepted, but was unclear on what happens next. Ms. Brunner said that Mr. John Konndos from MSH has been working on this as well as Mr. Michael Faber, General Manager of the Monadnock Food Co-op.

C) Community Solar

Mr. Jude Nuru reported a new law was passed roughly two weeks ago known as SB270. This is a program targeted at low to moderate income (LMI) populations and how to increase community solar programs. A main challenge for these programs is how to get LMI off-takers. Part of the PUC 900 rules are incorporated in this bill. The electric utility providers will now be required to provide a list of customers that would be eligible for these programs (LMI members on the electric

assistance program). This will alleviate the administrative burden for developers. This will hopefully promote community power programs in NH.

Mr. Nuru continued, stating that the DOE has 90 days from the passage of the law to set up the processes and invite developers to apply for a designation to develop a community power program. By the end of October, this law should be fully implemented and programs can start to be developed. The overall cap for this program is 6 MW. If there is higher demand, then the developers who offer a higher on-bill credit will be selected. Mr. Luse said this will be the single most most important policy that will actually drive LMI community solar power. This is where the work group could work with Eversource and developers to bring these types of programs to Keene.

Chair Hansel asked whether the list from Eversource will be a good resource for the Window Dressers program. Mr. Luse said window dressers does not require certified low income. Chair Hansel wondered if information around low to moderate income eligible families would be able to be shared. Mr. Nuru said the new law will take effect in 90 days will require them to share that information. Mr. Roth asked whether the program is federal or state funded. Mr. Nuru said this is not a grant program, this is a program to help developers find LMI off-takers to enroll in their programs. Chair Hansel added that, in NH, one of the few incentives offered is the 2.5 cent adder for electricity sold to LMI customers. This makes the system more profitable, which incentivizes programs for LMI customers.

Ms. Brunner said that previously, part of the benefit of the LMI community solar program was the ability to do on bill crediting. She asked whether on-bill crediting is still only available for LMI projects, or whether that will be opened up for other programs. Mr. Nuru said it is still restricted to low to moderate income participants. Developers have been challenging it, but no changes as of yet.

Chair Hansel said that the only thing to add to this report-out is that the group is still monitoring possible sites for solar in Keene, including the site on Rose Lane, the site near Ashuelot River Park, and the site at Monadnock View Cemetery. The latter would require zoning changes, but is still a possibility.

D) Renewable Energy Loans

Chair Hansel reported that he and Ms. Beth Campbell met last week and tried to figure out a direction. They have contacted the major financial institutions, including Mascoma Bank and the Savings Bank of Walpole, and they been in touch with other possible sources of loan money for renewable energy, including the Keene Downtown Housing Corporation and the Monadnock Economic Development Corporation (MEDC). They are beginning discussions with the local Rotary club and have found a lot of interest, but nothing has come together into a plan yet.

E) Outreach and Education

Mr. Luse reported that the group is currently working on a marketing plan. Ms. Diana Duffy is working on a success story for Pinnacle Windows and St. Bernard's, and it sounds like that is moving along.

i) *Keene Energy Week*

Mr. Luse stated that most of the focus for the group has been to getting the initial plan figured out for Keene Energy Week, which is scheduled for October 16-22, 2022. This coincides with the national energy awareness month. Parts of the week are similar to last year's event. There will be the Clean Energy Team solar tour, tabling, the clean energy team will also do a button up workshop that week. They talked to Pumpkin Festival organizers who would be open to them tabling at Pumpkin Festival. A back up plan might be tabling at the Farmer's market on Saturday. Rather than a business-focused webinar, they chose to focus on the energy plan and talk about what has been done /accomplishments and future work. This would include community power, the energy audits, window dressers, home energy labeling, community solar, etc. They are currently looking for other ideas and examples of accomplishments that could be discussed and promoted. There is a chamber event- one of their regional issue series happening at the Court House the following week on October 27. A couple other possible events include a film showing – the Clean Energy Team is exploring this option, in addition they are hoping to have an EV expo.

Ms. Duffy asked if anyone had any contact with Father Allen at St. Bernard's as they need permission in order to share the success story. Mr. Nuru said the best method would be to reach out to the church office.

Councilor Ormerod asked about the status of the outreach to dealerships. He has contacts with some of the dealerships and could help out with this. Mr. Luse said that he is going to coordinate with John Kondos. Councilor Ormerod said he would reach out to Mr. Kondos to coordinate.

5) Membership

Chair Hansel said this is a good time to start recruiting new members so they can be approved prior to the end of the year. Councilor Ormerod asked if someone named Sarah has expressed interest. Ms. Brunner said that, for anyone interested in joining a committee, there is an interest form for the City of Keene that then gets forwarded to the staff liaison and the board chair. From there, it goes to Mayor Hansel for final approval. She said she hasn't seen anything from someone named Sarah, so she would recommend that that person fills out the interest form.

Chair Hansel asked members to think if they know of anyone who might be interested and promote membership, if possible. Chair Hansel asked Ms. Brunner how many slots will be open. Ms. Brunner said that Chair Hansel's second term will expire at the end of this year, one other spot and two alternate spots will be open. This creates four possible openings. Chair Hansel asked Clair

Oursler if he would be interested in moving up to a regular member; Mr. Oursler responded in the affirmative. Councilor Ormerod asked if Mr. Oursler has to fill out the form in order to move from an alternate to a regular member position. Ms. Brunner said he does not.

6) Legislative Updates

Other than the previously mentioned SB270, Chair Hansel asked if there were any additional legislative updates. Mr. Nuru mentioned the federal Inflation Reduction Act. He said this is a game-changer – it is being described as the largest investment in climate change response ever. This will increase and extend the solar income tax credit (ITC) for 10 years, it will also be available for municipalities and nonprofits, which have never been eligible before. There were no other updates.

Mr. Oursler and Mr. Nuru left the meeting. Chair Hansel confirmed a quorum was still present.

7) Upcoming Dates of Interest:

- A) Window Dressers Community Build- October 27-November 3, 2022**
- B) Keene Energy Week- October 16-22, 2022**

Chair Hansel reviewed the upcoming dates of interest, and added that there will be a Chamber Regional Issues Series event on Clean Energy on October 27 at 8:00 am at the Cheshire County Delegation Room. Mr. Luse said that attendees will get to tour his business, Paragon Digital Marketing, which is next door.

8) New Business

Chair Hansel asked whether there are any items to add to a future agenda. Ms. Brunner asked the group whether they would like an update on the 21 in 21 Program. There was general agreement that this should be added to a future agenda. There were no other items of new business.

9) Next Meeting:

Chair Hansel stated that the next meeting is September 7, 2022 at 8:00 AM.

10) Adjournment

There being no further business, Chair Hansel adjourned the meeting at 9:06 AM.

Respectfully submitted by,
Amanda Trask, Minute Taker

Reviewed and edited by,
Mari Brunner, Senior Planner