

City of Keene
New Hampshire

ENERGY AND CLIMATE COMMITTEE
MEETING MINUTES

Wednesday, June 28, 2023

8:00 AM

**Council Chambers,
City Hall**

Members Present:

Zach Luse, Chair
Peter Hansel
Councilor Raleigh Ormerod
Councilor Bryan Lake
Diana Duffy
Beth Campbell
Lisa Maxfield, Alternate
Rowland Russell, Alternate

Staff Present:

Mari Brunner, Senior Planner

Members Not Present:

Paul Roth, Vice Chair
Jake Pipp
Jude Nuru
Kenneth Swymer
Clair Oursler
Charles Redfern, Alternate

1) Call to Order and Roll Call

Chair Luse called the meeting to order at 8:02 AM. Chair Luse invited Lisa Maxfield and Dr. Rowland Russell to participate as regular voting members.

2) Approval of Minutes

Chair Luse noted one correction as Mr. Kenneth Swymer was listed as an alternate, not a voting member. With no further comments or corrections, Councilor Bryan Lake moved to approve the minutes with the noted change with a second from Mr. Peter Hansel. With unanimous approval, the minutes from June 7, 2023 were approved.

3) Guest Speaker on Peterborough pilot program with BlocPower-Dori Drachman and Bob Haring-Smith, Peterborough Renewable Energy Project

Chair Luse introduced Ms. Dori Drachman. Ms. Drachman explained that she is joining with Bob Haring-Smith (who joined virtually) as co-coordinators of the Peterborough Renewable Energy Project (PREP).

Their group brought the warrant article that has resulted in Peterborough having very similar goals to Keene of 100% renewable electricity by 2030 and 100% renewable heat and transportation by 2050. As they were writing their plan, which got approved in December, they came across a company called BlocPower. At the time, they were not in NH, but had interest to expand. They are very excited to be doing their pilot project and are excited to be letting other towns and cities in the area know about it so that when they look to expand the program, they hope to do it in a more regional fashion rather than just one town.

As this group is aware, getting off fossil fuels is not a uniform process. There are different things that need to be done in different sectors and some are more difficult than others. The old building stock is the most challenging as it requires getting the old fossil fuels out of there, making them as energy efficient as possible.

BlocPower is a leading climate tech company that focuses on electrifying aging buildings. They started in Brooklyn, NY. Their founder is African American and because of his experience, he prioritizes low-income neighborhoods. So far, they work in twelve states, several major cities and New Hampshire will make thirteen. Much of their history has been working in urban areas. They are a well-funded organization with backing by some deep-pocketed corporations like Microsoft, Goldman Sacs as well as an endorsement from the former Obama administration. The founder worked in the EPA of the Obama administration and out of that, formed BlocPower.

In Peterborough, because this was brand new for both parties, they chose to proceed as a pilot project. It will be the first project for BlocPower in NH as well as the first rural area on the East Coast. Peterborough will be the smallest municipality they have worked with, and it will be the first one in a state that does not have significant incentives.

BlocPower is very committed to this model working anywhere and they are working to tweak their model to work in more rural settings. PREP will be managing this project and working very closely with the town. PREP has not yet hired an energy and community planner, but hopefully will be doing that soon.

Through this pilot, they will be retrofitting and electrifying 10-15 buildings in the town through June 30, 2024. The cost to the town is only \$5,000 as they did significant fundraising. That money goes towards project management from BlocPower. They do not do the actual work as they are not a contracting company. They are a project management company that coordinates all the different threads of making a building more resilient and energy efficient and helping to get it off fossil fuels.

BlocPower, like Peterborough, are committed to a whole building/whole systems approach to this transition within the building. This process includes energy audits, weatherization, as well as a heat pump piece, which is the piece that the building needs to have to be able to count as one of their buildings. They can also bring in solar installations and have several add-on's that can be done.

They also have software that helps them determine which buildings will be most benefitted by this type of work and which will offer the "biggest bang for the buck". They also offer an option of a long-term lease that allows people to get the work done without any up-front cost allowing for a low interest long-term payment option.

The lease will include all of the work that gets done and does not require a lien on the buildings. This has been shown to save customers money in the long run. You can buy out the system for one dollar.

Another important piece is that they use local contractors, collaborating closely with community leaders and prioritize low- and moderate-income neighborhoods and work in all types of buildings. They are committed to workforce development and will help fund the marketing to get the word out.

Simultaneously, PREP wants to look ahead to expanding the project. They do not want to let an opportunity go by that could help to step this up. So far, they have applied by submitting a preliminary concept paper for a grant called the Energy Efficiency and Conservation Block Grant through the Department of Energy. The full application is due August 7th. They expected feedback middle of June, but did not get that and now expect it within the next week or two. One of the pieces they say they would like to see in the application is that it is for more than one municipality. This is their impetus to spread the word in the region.

Beth Campbell asked a clarifying question. She asked what the aim of the application they just submitted to be and whether it was to provide some staffing support to expand the BlocPower program.

Ms. Drachman explained that the concept paper was written just for Peterborough at the time, but that can be changed. They asked for \$500,000 to significantly expand the program. Of that \$500,000, \$275,000 will go to BlocPower. There will be \$175,000 used for direct incentives and another \$50,000 that will be used for workforce development through the MAXT Makerspace. The money has to be spent within 24-36 months. Out of that, PREP will get two people for three years, the use of their proprietary software, the ability to use the lease agreement and the direct incentives. The last piece is to help with seed money for a project that PREP is moving forward with independent of this grant utilizing the MAXT makerspace in Peterborough to offer workforce development trainings. These trainings would allow folks to eventually become BPI certified energy auditors. The next round of trainings would be focused

to train more HVAC installers and they would work with Doug Waite, who has done decades of HVAC work in the region and is very interested in teaching that component.

If they can get other municipalities to join them for the full application, they are then able to ask for more money. The increase in funding ranges from \$700,000 to \$2 million. In that, it would allow them to put aside money for Southwest Region Planning Commission to administer the grant for them and more opportunity for smaller municipalities to participate who wouldn't have staff to do the administrative work.

While they have not received their encourage/discourage notification, they are proceeding with the August 7th timeline as they are cautiously optimistic. The one piece they did not meet which may not be to their benefit is that it is only for Peterborough at the time, so bringing in another town would only serve to benefit the application.

Ms. Campbell asked since the deadline has already passed for the concept paper, if there was possibility to expand. Mr. Drachman responded that yes, she believed that it did not preclude them from adding towns and cities to the full application.

Councilor Raleigh Ormerod asked if the scope was only for retrofit or if it included new construction. Ms. Drachman clarified that it is only for retrofit. She added that they welcome people to join as they are looking for funding outside of this particular grant opportunity.

Mr. Luse asked for clarification on the BlocPower organization. Ms. Drachman said there is a landing page on the BlocPower website and sign-up form. You give them particulars about your building to give them information about what might be needed and then they call you to have a conversation. Once enough information has been gathered, one or more contractors come out. While an energy audit is ideal, owners can decline. BlocPower finds the contractors, the contractors do the scheduling.

Ms. Campbell explained her understanding is that BlocPower is engaged as a funding mechanism to get this going. They own it and customers lease it for a 15-year period and BlocPower is ensuring that the equipment is regularly maintained and at the end of the contract, the customer has the opportunity to purchase the equipment. Contractors sign an agreement with BlocPower which includes BlocPower doing a quality assurance inspection of the contractors' work.

Mr. Hansel asked aside from the management, what are they doing to attract low to moderate income individuals who may not be able to afford the leasing option.

Ms. Drachman explained that while they are prioritizing those folks, those are not the only populations they are looking at. They have economics to show that by leasing, they will actually be saving money in the long run and demonstrate the savings to the potential customers. The incentives are not only for the LMI building owners, but also the landlords.

Mr. Luse asked what their primary revenue source is. Ms. Drachman explained the upfront cost from the municipality is one revenue stream. The lease agreement does roll in some profit for the company. She also mentioned a possibility of finders fees should the program expand. Ms. Campbell explained that sometimes organizations also pool money from investors.

Chair Luse thanked Ms. Drachman for coming. She welcomed additional questions by email and thanked Chair Luse for the forum.

4) **ECC Work Group Report Outs**
A) **Community Solar**

Mr. Hansel shared that he attended the FOP committee meeting last Thursday where they were discussing whether to recommend to the full city council that the city manager proceed with a letter of intent for the solar development of three potential sites within the City of Keene. They voted unanimously to make that recommendation. It will go before the full city council at the meeting next Thursday. Hopefully, they will authorize the city manager to proceed. He explained that the three sites are the airport, Rose Lane, and Monadnock View Cemetery.

B) **Grants, Fundraising and Partnerships**

No updates.

C) **Education and Outreach**

Chair Luse shared that the Education and Outreach work group met on Monday and worked out the goals. They were close to what Ms. Brunner put in as an example. They added a section to the goals with a communication and marketing plan as well as how to better utilize the website.

D) **Legislative Tracking**

No updates.

E) **Food Security**

No updates.

5) **Downtown Infrastructure Project**

This item was discussed further on in the agenda under “Other.”

6) **Community Power Program Update**

Chair Luse asked Ms. Brunner to share the numbers. She will send it out to the members but provided a breakdown. A total of 10,477 letters were sent out, of which 9,135 were residential, 1,336 were commercial and 6 industrial. There were a total of 129 mail fails. 633 opted out; most of those were residential. There were 520 residential opt-outs, 110 commercial opt-outs, and then 3 out of the 6 industrial customers opted out.

And then for opting in, there were 228 residential opt ins, 15 commercial opt-ins and 0 industrial so a total of 243 opt ins.

A total of 9,958 out of the 10,477 were submitted for enrollment, however 493 of those were rejected. It says here that most rejections are the results of existing accounts that are no longer active or were recently closed (people moving or switching their account over to a different name, etc.). Total enrollment is 8,297 for residential 1,168 for commercial for a total of 9,465.

Under net metering customer status, they broke out as its own category, and after launch we still have 70 accounts that are net metered that stayed in the program. There were 64 that opted out and 3 that were rejected.

The total for the default is just over 9,000. We had 216 people have opted up to 100%, 38 opted up to the 50% and 207 opted down to Keene Basic, which was the cheapest option. Discussion ensued on if and how to get this information out.

7) **Committee Membership**

Chair Luse shared that there were still alternate seats available.

8) **New Business**

9) **Other**

Chair Luse explained that the committee had written a letter about bikeability, but they never wrote in that letter or in another letter how that contributes and supports the energy goals. He asked for the committee's input on writing this letter.

Councilor Ormerod stressed the importance of having the electrical infrastructure for charging in place.

Mr. Hansel referenced the previous letter and noted that the last paragraph did address the reasoning behind their promotion of bikeability. Chair Luse did not realize they had expanded that in the previous letter and wondered if there was desire to expand further.

Dr. Rowland Russell suggested reinforcing the content of the previous letter through a new letter that also encourages multimodal transportation.

Councilor Lake asked if there were new topics to discuss in proposed letter, but was not in favor of rehashing the previous letter.

Chair Luse suggested tying it back to the goals of the committee or the energy plan and encouraging that we have a walk-able, bike-able downtown.

Mr. Hansel made a motion to authorize the chair to draft a letter. The motion was seconded by Councilor Ormerod and unanimously approved.

Councilor Lake clarified that the City Council workshop this Thursday is not open for public comments.

10) Next meeting: Wednesday, August 2, 2023- 8:00 AM

11) Adjournment

There being no further business, Chair Luse adjourned the meeting at 9:13 AM.

Respectfully submitted by,
Amanda Trask, Minute Taker

Reviewed and edited by,
Mari Brunner, Senior Planner