

City of Keene
New Hampshire

CITIES FOR CLIMATE PROTECTION
MEETING MINUTES

Wednesday, November 2, 2016

8:00 AM

2nd floor Committee Room

Members Present:

Dr. Ann Shedd, Chair
Larry Dachowski, Alternate
Megan Straughen
Mari Brunner

Staff Present:

Michele Chalice, Planning

Members Not Present:

Peter Hansel, Vice Chair
Gary Lamoureux, Councilor
Terry Clark
Dick Cornelius, Alternate

1. Call To Order and Roll Call

Chair Shedd called the meeting to order at 8:05 AM. Roll call was conducted.

2. Approval of October 5 Minutes

Mr. Dachowski made a motion to approve the minutes of October 5, 2016, which was seconded by Ms. Straughen and passed by unanimous vote.

3. Status - Community Solar Advocacy Memo

Ms. Chalice stated that she, Planning Director Rhett Lamb, and John Kondos talked several times to make sure they are clear on what the committee is asking for, regarding the request being a reasonable one to make of the City Council. She continued that they cannot ask for FCC regulatory change, but they can ask for advocacy on a potential issue that the Commerce Committee might bring up. It took a while to parse out the differences between community solar and community-supported solar. On Friday she will meet with Mr. Lamb regarding the final draft of the handout and letter to the City Council. The Planning, Licenses, and Development (PLD) Committee will discuss the CCP's request on Wednesday, November 9, at 7:00 PM.

Chair Shedd stated that she will attend the PLD Committee meeting and do her best to present the CCP's rationale for making the request. She continued that Mr. Kondos will attend to answer questions as needed. Marge Shepardson, State Representative from Marlborough, is here today,

and she serves on the Science and Technology Committee. Anyone else with experience with community-supported solar is welcome at the meeting.

4. GHG Inventory Update

Chair Shedd stated that Mr. Graham did legwork and wrote up a report before his internship expired. She continued that it has been presented to City staff a couple times and there is still concern that it is not yet at a point where it is ready to be presented to the City Council and stakeholders in an approachable way. Ms. Chalice is tasked with the wrap up. She might welcome some help. She, Ms. Brunner, and hopefully Mr. Hansel, too, are meeting with Ms. Chalice on Friday at 9:00 AM, to help Ms. Chalice move this towards completion. Ms. Brunner asked if Mr. Lamb will be there. Ms. Chalice replied that he has been invited.

5. Climate Action Plan Update – Potential Intern – Scope of Project

Chair Shedd stated that at the last meeting they discussed various ways to get some labor for the Climate Action Plan (CAP) Update. She continued that they missed the deadline for the Antioch University New England (AUNE)'s CSI (student) projects, but it turned out that the AUNE internship fair was the week after, so she and Ms. Brunner attended that and had some information about the existing CAP and a quickly drawn up scope of work, from Ms. Chalice. There was fairly limited interest among the students they spoke with and they did not get any hot prospects. Out of that arose discussion about what the scope of the internship should be. She asked Ms. Brunner or Ms. Chalice for their thoughts.

Ms. Brunner replied that they talked about the GHG Inventory report that has not been completed yet. She continued that maybe the intern would be interested in making it into a nice report and doing presentations about it, polishing it up, and putting forward some recommendations for the CCP that the CCP could do what they want with, such as new targets. That is one option. They had a conversation about the scope of work for updating the CAP and thought that it might be more of a group project. Chair Shedd stated that the organization that provides the grant for climate leadership has already given the grant to someone else this year.

Chair Shedd asked how the committee feels about potential scopes for an internship, in terms of updating the CAP or finishing off the GHG Inventory Update and maybe segueing into updating the CAP. Ms. Straughen replied that segueing seems reasonable, and they need to be reasonable about the amount of work. A CSI project might be appropriate for some of the bigger work. Chair Shedd replied that maybe they can revise the scope of the project and get the proposal back to AUNE.

Ms. Chalice replied that the GHG Inventory Update report is not written in a version that the Planning Department is comfortable with and Mr. Lamb will not reveal the results until that report is ready. She continued that she can go forward with a proposal to have a person from the Southwest Regional Planning Commission (SWRPC) be contracted to write the report, if possible. There might be a timing aspect. That might have to happen first, before someone makes the presentation all shiny and nice. She hopes to have that scope of work written up within the next week and then they will know more if this is possible.

Chair Shedd asked if that will be instead of what the CCP is talking about. Ms. Chalice replied no, the report is completely separate from the presentation. She continued that the report is documentation of the details of the specifics, and the background information. Ms. Straughen replied that that has to come before the presentation. Ms. Chalice replied yes, at least at the department's level of comfort. She continued that Mr. Lamb feels strongly that the report and presentation need to be bound and go together before being released. He is expecting a lot of national attention about this. She will revise the internship scope and have it ready to go but they cannot put the cart before the horse.

Ms. Brunner asked if it would be possible for an intern to finish up the report. Ms. Chalice replied that she does not think Mr. Lamb would be comfortable with a regular intern. She continued that it is clear that this particular information has quite a bit of import for the City as a whole and it has been assigned at a high level of importance, wanting professionalism with that report that is not usually present with interns.

Chair Shedd stated that given the scope of work in finishing the GHG Inventory report, it seems likely that it will be at least December before they negotiate anything with the SWRPC. Ms. Chalice replied that they do not know the timeline exactly. Discussion ensued about the possible timing and how/when to best recruit AUNE students. Chair Shedd suggested they try for the summer. She and Ms. Straughen noted two people at AUNE who could forward the CCP's information to current and past students who may be interested.

Chair Shedd stated that this GHG Inventory report wraps up the 1995 to 2015 window. She continued that it will be at least halfway through 2017 before they have the next one, and sometimes the wheels of progress do not move as fast as they hope. She asked for other thoughts or input. Ms. Brunner stated that they have the report that cannot be put out to the public yet and it sounds like it might take at least a few months. She asked if, in the meantime, they should still be talking about what they want the next targets to be. What is their next step?

Chair Shedd replied that they know roughly what progress they made. She continued that knowing exactly and having the presentation wrapped up seems independent from setting new targets and goals. She does not think they need to wait, before at least looking at what their process would be. They talked a bit about the US and State goals, and she exchanged emails with someone at the New Hampshire Department of Environmental Services (NHDES) about which other NH cities have adopted the State goals, and the answer was, no one knows. They should keep this on the next agenda, and talk more about how and when to set new targets.

6. Kate Epsen, Executive Director, New Hampshire Local Energy Solutions, RGGI Overview

Chair Shedd thanked Kate Epsen for joining the meeting. She continued that the CCP has talked about the Regional Greenhouse Gas Initiative (RGGI), regarding how the funds are distributed, where they come from, etc. They invited Ms. Epsen to give an overview on unanswered questions about RGGI, because it can be confusing.

Ms. Epsen distributed copies of handouts, with some basic facts, from 2015. She gave an overview: RGGI was started as a 10-state compact in 2008 and went into effect in 2009. She

continued that the idea was that these states would set a regional emissions limit from large power generating sources, like any power plant over 10 or 20 megawatts. It only addresses the power sector. They set a cap on emissions. An entity needs an “allowance” to have the right to emit one ton of carbon dioxide. The amount of allowances equals the cap number. Allowances can be traded in an auction and secondary markets. Thus, more efficient plants could reduce and sell allowances, and less efficient ones could buy allowances until they figure out how to reduce. It was very bi-partisan. Ms. Epsen talked about how it was started by a republican in NY, where she lived, and then she moved to NH in 2010 and found that some people were wildly against RGGI. NH is a state participant along with the rest of the northeast, other than NJ. NH gets to receive the proceeds, a prorated percentage of allowances that are sold. Each state can decide how to spend that money.

Ms. Epsen continued that in 2010-2012 RGGI became very controversial among some groups. It was seen as an attack, a market intervention on climate change, which some people don't believe in. NH almost pulled out and instead there was a “compromise” - instead of continuing to use auction proceeds for energy efficiency programs, they would put the money back as an embedded bill credit on people's bills. The State was only to preserve the first dollar of each auction allowance credit towards efficiency programs and the rest would go to embedded bill credits. Each allowance sells for \$4 or \$5, so they are losing the value of that to the bill credits. Before that happened, they were using all the proceeds on efficiency programs. The Public Utilities Corporation (PUC) had a competitive process where people proposed programs, mostly energy-reducing ones, and some educational ones. It went out to a variety of vendors. Then there was controversy around that. It was not a political process but somehow got politicized and people thought the PUC was picking winners and losers as they saw fit. Once that bill passed where the money mostly goes back to rate-payers but a small percentage of it stays with efficiency, all of it flows into the programs that the utilities run. They are perfectly good programs. It is just that they are focused on the electric and gas sector so there is not as much opportunity for all fuel type efficiency programs. That is where it stands today. The first dollar flows into the utility programs. There is a carve-out for municipalities - a municipal energy efficiency program, from RGGI funds, for schools and municipalities. Some goes into residential programs, small and large business programs, and low-income programs.

Ms. Epsen continued that RGGI as a region itself continues to try and lower the cap to pursue more savings. They had to do that at one point because the recession hit right as RGGI was starting and they realized the cap was too high. Natural gas was suddenly a lot cheaper than it had been, due to increased hydraulic fracturing (fracking). The cap is now lower. This year it is up for review again and RGGI is seeking to lower it again. Every state has seats on that RGGI advisory board. NH is a state that says every change has to go before the full legislature. If NH wants to be part of the lower cap they have to take that to the legislature. The NHDES is the RGGI program administrator and steward in the state. They are working on what the language would look like. They will not know until January or February. They also simultaneously have the decision about getting more of that proceeds money into efficiency programs. They are parallel fights that need to happen in the legislature. Last year there was a bill that would have brought back more of the money to efficiency programs, all of the money associated with residential sales, which is about 40% of the sales back to efficiency programs for low-income, residential, and municipalities. It would have left all commercial and industrial related sales and

hence the auction proceeds as embedded bill credits. In a way it was good because it would bring back money in absolute numbers, but in a way it was unfortunate because it allows the commercial and industrial sector to advocate progress for continuing to get savings in their own sector, but a lot of the savings are in the big users, proportionally. Ms. Chalice replied yes, they are experiencing that in the City, too – the municipality is responsible for only about 2% of the community's greenhouse gas emissions.

Ms. Epsen continued that NH is really behind the curve on what it invests in energy efficiency. The American Council for an Energy-Efficient Economy (ACEEE) scorecard ranks all the states on energy efficiency, policies, and progress. NH is usually in the 20s. Chair Shedd replied that she thinks it was ranked 21. She continued that MA and CA have been tied for #1. Ms. Epsen added that VT and ME are in the top five or ten.

Ms. Epsen continued that on a positive note, this year the PUC wrapped up a long process of creating an energy efficiency resource standard, and that will expand what the utilities in the state do for energy efficiency. They will have new mandates requiring them to save 3.1% of their 2014 sales by 2020. Included with that is more funding to be able to achieve those savings. It is through increasing the systems' benefit charge on the electric bill; it is a line item on people's bills. It is a really small amount. Today it is about three one thousandths of a cent. It will go up a teeny bit next year and a teeny bit more each year. In 2018 the bill impact will be, on average, about 61 cents. It would be larger for huge industrial users, but they can tap into the programs to save more. The other consideration is if the State could get back more of that RGGI money they could flow it into the energy efficiency resource standard and they would not have to increase the systems' benefit charge as much to pay for the savings. The savings have to be cheaper than what you would otherwise buy and supply. The benefits have to always be greater than the costs for it to be cost effective. She hears a lot that the savings must not be real, but that is not possible. It goes through all these tests at the PUC. She asked if anyone had questions.

Mr. Dachowski asked if it deals only with CO2 emissions. Ms. Epsen replied yes. Mr. Dachowski asked about methane. Ms. Epsen replied that methane is a real problem. She continued that maybe that is some consideration they are taking into account for this new model rule they are working on, to tighten up the cap. She does not know if they are looking at leaks from pipelines. She does not think so.

Mr. Dachowski asked if the embedded bill credits go to retail customers. Ms. Epsen replied that it goes to everyone who pays an electric bill, but is embedded, and does not show up as a line item that you could see on your bill. Ms. Chalice replied that it is carefully designed to make you think you are paying less for your electricity than you are. She continued that maybe individuals are paying less, but society, environmentally, is not paying less. They are still incurring the impacts of the greater amount. Ms. Epsen replied, that is true. She continued, let's say you think you are paying less on day one because your bill is 50 cents cheaper. But NH has been lagging on driving its load curve down and the rest of New England has been doing it much more aggressively, and if NH's share of the peak and total load grows in relation to the other states, everyone will have to pay more towards shared transmission charges, peak capacity charges and things like that. Those are really complicated, in the way they are allocated, but they flow back to local distribution utilities. Chair Shedd replied that she heard that the consumer

rebates amount to maybe a dollar a month. So it will about balance the fees from the energy resource standard. She continued that she also heard that most states allocate about 80% to efficiency and NH allocates about 20%. Ms. Epsen replied yes.

Representative Shephardson stated that there is a graph that shows the same thing - that over the past few years New England states have leveled off and RI is going down, but NH keeps going up because NH is not investing as much in energy efficiency. She continued that it will look like bills are going up when the whole point of the rebate was to have the bills go down. Chair Shedd stated that she heard at the NH Energy Futures event that MA spends about 800 million dollars per year on energy efficiency and NH spends only about 20 million dollars. She continued that even on a per capita basis that is a big difference. Ms. Epsen stated that MA is saving about 2.5 to 3% per year and NH is just starting to work toward that by 2020. They have a bigger population, but yes, per capita NH is doing a lot less. And VT is doing much more in absolute dollars and they have a smaller population.

Chair Shedd stated that one of the CCP's functions is to ask the City Council to support various legislative issues that come up. She continued that the City Council sent a letter to the EPA in support of clean power plants, and in support of raising the cap. If Ms. Epsen or Rep. Shephardson could keep the CCP noticed, in timely fashion, about legislative issues they should be aware of (such as proposed changes to allocations to RGGI funds), that would be very helpful. It takes time for the CCP's requests to work their way through the channels.

Rep. Shephardson replied that there is talk of another RGGI bill, which has not been filed yet. Ms. Epsen stated that there may be a bill filed that would try to weaken or undo the energy resource efficiency standard. She continued that she does not think there will be another bill to try and repeal RGGI but you never know. Some bills are repeats year to year.

Ms. Chalice stated that she likes the idea of the CCP asking the City Council to send an advocacy letter for RGGI distribution. She continued that asking the City Council to advocate for legislation is a much more straight forward request than the one they are trying for now with community-supported solar. If Ms. Epsen can send the committee language about that they can start the draft letter.

Discussion ensued about the timing. Ms. Epsen stated that some Legislative Service Requests (LSRs) are filed for bills but just with titles so you do not have much information. She continued that after the election there is another window for when you can file LSRs. Ms. Chalice asked if their webpage has sample letters for citizens. Ms. Epsen replied that they do not usually post those on the website; it makes a big difference for citizens to personalize their letters, so they do not want too much on a template. However, they are frequently asked for talking points, so they make guides to issues. All of the committee members and contact information is on the website though. She asked if the City is active with the NH Municipal Association. Ms. Chalice replied that she does not know. Chair Shedd replied that this committee has not been. Ms. Brunner replied that the City is part of it. Ms. Epsen replied that the association is a good conduit. She continued that they have a dedicated lobbyist and the legislature respects them. Rep. Shephardson stated that the towns make use of them more than the cities do.

Chair Shedd asked about RGGI and explaining to the City Council why support would be important - is there a ready way to track what RGGI funds have flowed into a given municipality? Ms. Epsen replied yes, she has a spreadsheet of all the towns that have received money. She continued that you have to make a right to know request. The information is held by the utilities. They track every dollar to every project. She asked if the CCP wants her to get an updated list. Chair Shedd replied yes. She continued that when they take requests to the City Council, it helps if they can say "This many RGGI dollars came into Keene community projects." Rep. Shephardson asked Ms. Epsen for a copy, too.

Ms. Epsen stated that the other thing she has seen work really well is when a town can actually demonstrate some sort of tax benefit from using the money, which is not easy to do. She continued that they have seen it flow, for example, in Plainfield. They had a good chart about the tax savings. The taxes were increasing for other reasons and they were able to help slow the tax increases because of savings on energy operating costs.

Chair Shedd stated that she also asked Ms. Epsen to talk about regional energy hubs, of which there are four or five in NH. Ms. Epsen replied yes, there is one in the Rindge area, and an Upper Valley one, a Washington Valley one, and a Seacoast one. There are active energy groups. There is the Monadnock Energy Regional Initiative (MERI). Chair Shedd replied that they have not worked with them but they are aware of them. Ms. Epsen stated that energy resource hubs were set up to help local energy commissions learn from each other, share resources, and collaborate. She continued that some committees are more active and successful than others; others run into more barriers. It is a networked group so commissions can support one another. They meet at least twice a year. The hub coordinator, Steve Whitman, might be a great person to talk to, if they want to start one in Keene, or they could talk with MERI. She continued that John Kondos of the Monadnock Sustainability Network (MSN) would also be a good person to talk with. Sometimes a hub can even help towns that do not already have an energy commission begin one. Only half or fewer NH towns even have one.

Chair Shedd replied that the statute for energy commissions defines them as dealing with municipal energy use. Ms. Epsen replied yes, but most expand beyond that. They might want to move on to things like a solarize campaign, a weatherize campaign, etc. That is what Durham is doing now. Chair Shedd replied that Keene's Comprehensive Master Plan (CMP) calls for developing a comprehensive weatherization plan. She continued that the CCP has that on their list of goals. Ms. Epsen asked if they are familiar with Neighborworks - that is a good model to look into. She continued that they did energy efficiency work in VT and were able to capture a lot of buildings. Rep. Shephardson also suggested talking with Beth Edwards in Temple, who organized a town to town contest, for reducing by a certain amount through weatherization. Ms. Epsen replied that it is best to launch such a program in late fall or early winter. Chair Shedd replied that Keene is on the list for a Button Up workshop next year. She continued that there has been talk in a working group about whether to collaborate with the Monadnock Food Co op, and how that could work. There are a number of things they need to explore. Eversource has programs coming out for commercial entities. Ms. Epsen replied that through NH Saves, there is a program where you can finance it on your bill. Ms. Chalice asked if she means C-PACE. Ms. Epsen replied no, and asked if Keene is hoping to adopt that. Ms. Chalice replied that they are waiting to see how Hanover is able to handle the specifics. She continued that Keene's

CCP Meeting Minutes,
November 2, 2016

Assessing Department wants to see how it works in Hanover first. It has not gone to the City Council yet.

Chair Shedd thanked Ms. Epsen for her presentation. Ms. Epsen encouraged people to attend the Local Energy Solutions conference, with an agenda that she is excited about. She gave information about some of the topics that will be addressed, such as energy curriculum in secondary schools. The committee thanked Ms. Epsen.

7. Adjournment

Hearing no further business, Chair Shedd adjourned the meeting at 9:04 AM.

Respectfully submitted by
Britta Reida, Minute-taker