

AVON CLEAN ENERGY COMMISSION
MEETING MINUTES
April 21, 2021

I. CALL MEETING TO ORDER

The meeting was called to order at 7:02 p.m. by Chairman Zahren via GoToMeeting. Members present: Bernie Zahren, William Shea, Don Phelan, Charles Harvell, Christine Winter and Melissa Firestone. Members absent: Richard Kretz. Advisory member absent: Johnathan Craig. Staff member present: Grace Tiezzi, Assistant Town Manager.

II. APPROVAL OF THE PRECEDING MEETING MINUTES – February 17, 2021

Mr. Shea made a motion to approve the February 17, 2021 minutes as written. Mr. Phelan seconded the motion.

Mr. Harvell made one edit to the minutes: page 3, ninth paragraph, insert “that he read” after “Mr. Harvell stated.”

Mr. Shea amended his motion to approve the February 17, 2021 minutes as amended. Mr. Phelan seconded the amended motion, which was unanimously approved.

III. COMMUNICATION FROM AUDIENCE – There was none.

Mr. Shea made a motion to move the presentation of the CT Green Bank next on the agenda. Mr. Phelan seconded the motion, which was unanimously approved.

Presentation – Connecticut Green Bank Solar Marketplace Assistance Program (MAP)

Ms. Tiezzi stated that representatives from CT Green Bank would like to present their Solar Marketplace Assistance Program (MAP) and discuss an opportunity for Avon to participate in a group of municipalities that are moving forward with this program for 2021. At the staff level, they felt that this should be taken a closer look at. Given the tight timeline, the Green Bank has done a desktop review of some properties in Town as well as site visits.

Ms. Emily Basham of CT Green Bank introduced herself. She was joined by Mackey Dykes also of CT Green Bank and Allan Sabins from CSW Energy. She stated that CSW Energy is their technical partner for the MAP program. The CT Green Bank was created by the Legislature in 2011 to help the State meet their energy goals by providing financing for clean energy projects. She stated that there are programs for every sector; they work with a lot of municipalities using their Green Bank Solar Power Purchase Agreement (PPA). The Green Bank understands that these projects have a lot of steps to them; many of those steps are prior to the financing piece. She stated that this program was created about 2 years ago to provide a turn key program to help from the beginning of identifying opportunities through every step of the solar process. Solar MAP is a program to make it easier to go solar and to realize the savings that are possible.

Ms. Basham stated that they generally meet with Towns to understand what their goals and interests are in installing solar on their municipal buildings and schools. They work with them to gather

information about the sites and what might be a good opportunity for on-site solar installation. She stated that they have started the desktop review and site visits for Avon. Once they finalize where the opportunities are, they would continue to develop these projects on behalf of the Town if they were given the green light to do so. Through this program, the CT Green Bank would then get incentives that are available for these projects. They will also run a competitive process by an RFP for a construction partner to build the systems. After these steps, they can propose to the Town some discounted pricing for a power purchase agreement and then construct them.

Mr. Dykes stated that an agreement to build and finance the solar system would be through a power purchase agreement (PPA). The CT Green Bank would own the solar system, oversee the development and the construction, and provide 100 percent of the funding for the solar system. They would then sell the power from that system to the Town of Avon. That green power offsets the need to purchase a certain portion of the Town's electricity from the grid. He stated that the primary benefit is the savings. After a solar project through a PPA, the Town's energy bill will be much smaller, although there will still be a solar payment made to the Green Bank. When the solar PPA is combined with the new energy bill, the total payout will be less. Mr. Dykes stated that there are also environmental benefits. The other benefits are that there are no up-front costs to the Town. The Green Bank and their partners provide 100 percent of the money to build the project. As the owner of the system, the Green Bank is also responsible for the operation and the maintenance; there are no hidden costs. All of the risk is transferred over to the Green Bank.

Ms. Firestone questioned how the price of the solar power is determined. Mr. Dykes stated that this would vary by project. The primary factor is what it costs to build the system. They provide the money up front and would get paid back through the purchase power agreement. The other factor is the utility incentive. He stated that it is not until after they run the RFP will they know the PPA rate. Ms. Firestone questioned what the typical utility incentive is. Mr. Dykes stated that it depends on the size of the system. On a smaller system, possibly 10 cents per kilowatt hour credit; 7-8 cents for a medium sized system and approximately 3-5 cents for a larger system.

Mr. Shea questioned who hires the contractor. Mr. Dykes stated that the Green Bank would hire the contractor. Mr. Shea questioned if the contractor would be bonded. Mr. Dykes stated that they have strict insurance requirements, although he is not sure if there are bonded requirements. That is something that can be looked into; specific needs can be met.

Regarding operation and maintenance costs, Mr. Shea stated that sometimes a contractor does the work and if faulty workmanship is detected several years later, there is no recourse. He questioned how the operation and maintenance costs are dealt with after the installation of the solar panels. Mr. Dykes stated that as part of the process the Green Bank requires a thorough structural analysis to make sure the roof can support the system. Also, as part of their contract with the contractor, the contractor needs to provide a 6-year production guarantee for the system. On the Town side, the PPA is typically 20 years. There is a separate O&M vendor that the Green Bank contracts, which is different from the construction firm, to provide all of the operations and maintenance to the systems.

Mr. Shea stated that the Green Bank owns the solar panels. The Town would become a partner once the solar panels are installed. He questioned what guarantees are given to the Town regarding maintenance issues. Mr. Dykes stated that as part of the contract with the Town, the Green Bank would pledge that any warranty on the roof would not be voided. The operations and maintenance costs are

not within the partnership because the Town does not bare any costs. This would be the complete responsibility of the Green Bank.

Mr. Phelan ask that Mr. Dykes speak of the guarantees that the Town of Avon will need to provide to the Green Bank. Mr. Dykes stated that the primary obligation is to purchase the power for the system for a certain term; not to do anything to interfere with the expected production of the system; and to grant access to the site to preform periodic checks. Mr. Phelan stated that signing the PPA and buying the electric power for a period of years sounds reasonable. Mr. Dykes stated that there is no financial outlay by the Town other than the discounted power. The Town is not responsible for loss of production, which is where the financial risk would come in. He stated that if there is an issue with the system, there would be a risk of loss of expected savings instead of spending funds that they were not anticipated spending.

Ms. Firestone questioned if the PPA price would remain the same for the term of the agreement. Mr. Dykes stated that is correct, which is another benefit.

Mr. Zahren questioned if the quoted PPA prices were for power only or power and delivery. Mr. Dykes stated that there is no delivery charge. The PPA is the all-in-one price for the solar electricity. He stated that anything on the bill that is billed on a per kilowatt hour basis is what is being offset and what the Town can bank their credits at. Part of the analysis is to get a utility bill and see what the current kilowatt hour rate is to make the comparison.

Mr. Zahren questioned why the Town would not itself put the project out to bid to see what the private operators would bid. Mr. Dykes stated that the key benefit with this program is having the multiple towns together. This helps drive much lower construction costs. Also, their financing is good and competitive. The Green Bank is a dependable partner. Ms. Tiezzi stated that staff spent a lot of time with the Town Attorney to oversee the RFP process for the last project. The Green Bank will do the same thing for the Town, but not only will they work with other communities, they will provide what the Town Attorney did last time. She did note that the Town will still need the Town Attorney, but the Town will not need to manage the RFP process, which is ideal.

Mr. Sabins stated that CSW did a desktop review in regard to 10 sites in Avon. There are a series of criteria that are looked at including to identify whether or not the rooftop could handle a minimum system size of 50kw. If it can, they then look at roof obstructions. They also look in the general area of the roof in terms of shading impact, etc. If the roof is not viable, they would then look at the property itself to identify if there could be a ground or carport installation. Mr. Sabins stated that they looked at 10 sites in Avon, eight of which passed the desktop review. In addition to this, they did access the Eversource portal which gave them the historical usage that would confirm each site had usage that would warrant at least the minimum system size. All eight sites that passed the desktop review also passed the usage review. They are now in the process of compiling the site reports for the CT Green Bank.

Mr. Zahren questioned if it would have to be a rooftop or if it could be a viable piece of property. Ms. Basham stated that rooftops have a better PPA rate, although they do look at ground and carport options as well.

Ms. Basham stated that a report will be generated for each site from the site visit and the rest of the data collected. The site reports will include the proposed system size, the estimated generation from that system size, as well as a preliminary design. If the Town then decided to move forward with any of

the options, the Green Bank would continue to develop the project by securing the utility incentives, running the RFP and then returning to the Town with an actual PPA rate. Ms. Basham stated that they do have a timeline in order to receive the incentives. The Town would need to decide which projects they would like to move forward with as well as sign a letter of intent.

Regarding the kilowatt charge for the delivered power, Ms. Winter questioned if that fee was at cost. Mr. Dykes stated that the Green Bank finances the project through a public/private partnership; there are public and private investors involved. They are fronting 100 percent of the money to build the system, which needs to be recouped. There is also a rate of return for the investors; they are compensated for their risk. He stated that the other option would be for the Town to outright buy a system, which would come down to what the Town's funds are to purchase a system. This is typically not the way most municipalities go because the incentives are done through federal tax credits.

Ms. Tiezzi stated that she would like this Commission to make a recommendation to the Town Council for or against this program, or if more discussion is needed. In terms of the timeline, the Town would need an approval from the Town Council in May to move forward in order for the Town Manager to sign a letter of intent and proceed with the utility incentives. The Town would not commit formally to anything until the Green Bank executed the PPA in the fall.

Mr. Harvell questioned if there would be any numbers that show the aggregate benefit to the Town of Avon in the first 3 years, 7 years and also for the term. Mr. Dykes stated that they evaluate each project to see if there can be at least a 10 percent savings from the current utility rate. When they come back with a final proposal and when the Town signs the PPA, they will have a final rate and will do analysis of savings of electricity at that time. Mr. Harvell stated that although percentages are important, he feels that the Town will need a dollar amount.

Ms. Firestone question what the typical PPA rates have been per kilowatt hour. Mr. Dykes stated that they have been between 6-10 cents. Ms. Firestone questioned if this would be a savings on the delivery fees or the transmission piece of the Eversource bill. Mr. Dykes stated that it is not allocated to a certain kilowatt line item on the bill; there will be a credit on the bill.

Mr. Harvell questioned if the Green Bank ever looks at financing programs where they would go to the communities involved to see if there are people who want to participate on the Green Bank's side of the transaction, not the Town's side. He stated that Town citizens might want to participate in the upfront costs. Mr. Dykes stated that they have tried to make this as easy as possible by providing connection to brokers, which is the best way to give access to CT residents to invest in these projects.

Mr. Zahren made a motion that the Avon Clean Energy Commission recommended that the Town move forward so the Town Council can execute a letter of intent. Mr. Shea seconded the motion, which was unanimously approved.

IV. OLD BUSINESS

Electric Vehicle Charging Station RFP

Ms. Tiezzi stated that the draft specification for an RFP for an electric vehicle charging station have been distributed to the Commission members. The specifications will be attached to the Town's standard instructions to bidders, standard boilerplate, a sample contract, insurance requirements and bonding if

necessary. She stated that this is the piece that is specific to this particular RFP. This is a draft, which goes over potential sites that may be a good fit for an electric vehicle charging station. It is asking for proposals from providers to design, install, finance, own, operate and maintain charging stations at Town facilities. They are looking for vendors to tell the Town where they think would be good location(s) for a charging station or stations and what type of leasing scenario they could offer the Town. Ms. Tiezzi stated that they are thinking of asking for a phased in approach and then build from there. This RFP was written from samples taken from other communities from across the country. The Town of Simsbury tried this with little to no response, although the market has changed since then. She stated that Avon may be successful or it may not work out. She is very interested to see what comes back from the RFP. She stated that there are draft specifications for a grant through DEEP that will be coming out that may fund a portion of the purchase of an electric vehicle charging station. This could be a second option for the Town if the RFP does not work out. She asked that the Commission members send her questions, edits or any type of feedback regarding the specifications.

Mr. Shea stated Ms. Tiezzi did a great job drafting the specifications. Mr. Zahren stated that he is interested in seeing what the market response will be.

Mr. Harvell stated that there is a private charging station being considered in Canton. He recently received a letter in the mail from the group that is opposing this development. He feels that the Town of Avon should be sensitive to the overall community since there may be some confusion between what Avon is doing versus what Canton is building.

Avon Village Center Update

The projected reopening date for Climax Road and Bickford Drive will be April 20, 2021, weather permitting to allow for construction and paving. Meanwhile, the work on the interior of the Whole Foods building is also moving forward. Whole Foods will now have a food to energy system installed at this facility. This new system is called "Grind2Energy", which is an anaerobic digester that takes food waste and converts it into a slurry that is transported to a processing facility where it is converted into electricity and fertilizer. The product is also used to heat the buildings at the conversion facility, usually a farm. This is part of a growing system with facilities in Massachusetts and Connecticut.

The buildings approved as part of phase 1A on the west side of Climax Road are also well underway at this time. A specific completion date for these commercial buildings is not yet known as it depends on the availability of materials and labor, which are stressed at this time due to external forces. Finally, the buildings along half of the new main street, Market Street, are nearly ready for occupants. Tenants are beginning to look at these buildings at this time. We expect that tenant interest will significantly increase as soon as Whole Foods opens in late May or early June.

The Town continues to work with the developer to make sure that promises made to the Town with regard to completing a micro grid study are completed as promised, prior to any further building construction.

Sustainable CT Update

Town staff have met twice regarding the Town's approach to their application for Silver certification. Silver requires towns to complete actions totaling at least 400 points, complete at least one action in

each category (1-11) and complete three Equity Toolkits. The Town has already been awarded 210 points and completed one Equity Toolkit as part of its Bronze certification.

As with their previous application, the Sustainability Team's approach continues to be to document work that the Town has already completed or to integrate new actions into their normal operations so that their impact is as meaningful as possible. At this time, the Town's goal is to submit an application for Silver certification in August 2021.

Geothermal HVAC System – Project Update

To date, over two-thirds of the thirty-six new wells have been drilled on the site and some of the trenching has been completed. A new manifold has been installed in the basement to connect the geothermal wells to the heat pumps. The demolition of thirteen old heat pumps, either associated with wells that have fails, or that could be turned off due to the zone that they serve in the building, has been completed at this time. Crews are completing some preliminary tasks required to install the new heat pumps in the basement and attic of the building.

V. NEW BUSINESS

National Bike Month

May is National Bike Month and the Town of Avon is working with BikeWalkAvonCT on a number of events. In addition, "Ride the State, Connecticut 2021" is scheduled for June 26th. The ride is 56 miles along the Farmington Canal Heritage Trail beginning at the southwest corner of the New Haven Green and ending in Southwick, MA. Lunch will be hosted by BikeWalkAvonCT and the Brighenti Family at Riverdale Farms. More details, including how to purchase tickets, can be found on www.eventbrite.com.

VI. ADJOURN

Mr. Zahren made a motion to adjourn the meeting at 8:26 p.m. Ms. Firestone seconded the motion, which was unanimously approved.

Respectfully submitted:
Chairman Bernard Zahren

Attest: Alison Sturgeon, Clerk