

Conservation Commission Energy Committee Meeting

Thursday, October 25, 2018

Land Use Conference Room, 2nd Floor, Town Hall

In attendance: Steve Hall, Bob Brady, Skip Parker

Also in attendance: Patricia Sesto, director; Sarah (Nahabedian) Coccaro, conservation resource manager; Walt Donzila, director of business development at Celtic Energy, Inc.

1. Call to order

9:04 a.m. by Ms. Patricia Sesto

2. Approval of Minutes

Bob Brady made a typo correction on the October 11th minutes. Steve Hall made a motion to accept the minutes as corrected, seconded by Bob Brady, and carried.

3. Presentation by Walt Donzila, Celtic Energy, Inc.

Hall introduced Walt Donzila of Celtic Energy, Inc. (CEI). Donzila's presented information on his company (presentation is attached). CEI is a vendor-neutral, owners'-representative firm utilized by entities to assess energy audits and assist in implementation of projects. They work with towns, public schools, government, and the military.

When considering problems at our facilities, such as budgetary needs, maintenance issues, and limited expertise on technologies, CEI recommends taking a fundamental order of approach to energy issues: 1. reduce energy consumption, 2. choose appropriate energy sources for your needs (ex. Co-gen, renewables, or a combination), 3. shop for the best supplier energy contracts for balance of needs, and 4. balance of your loads (commodities).

Donzila explained that 2018 had "the perfect storm of events": low interest rates (but rising), excellent technology (better than 3 years ago), and maximum incentives available. He encourages pursuing energy projects.

Recommendations to do before implementing energy projects: most energy assessors/auditors are not independent; many assessors are not highly qualified engineers. Architects and design engineers are not energy engineers. Financing options are not the

area of expertise of most vendors and contractors. Architects and engineers will pass on the inclusion of energy efficiencies in their design in order to put forth the most competitively priced project proposal.

To have a successful municipal energy strategy, CEI recommends: 1. Determine key stakeholders in the community- ex. school officials. 2. Determine the energy decision makers and process. 3. Engage energy owner's representation (save time and \$\$). 4. Determine key energy needs (efficiency, sustainability, resiliency, etc.), 5. Develop a strategic energy plan and timetable. 6. Gather and review baseline info and benchmark. 7. Determine types of projects and financing that satisfies decision makers. 8. Develop (scope out and pre-qualifications) projects with owner's representatives. 9. Develop RFP and hire contractors/vendors. 10. Manage projects for max effectiveness; include quality assurance elements. 11. Perform ongoing measurements and verification, as needed (typically done for 3 years afterwards).

Energy project options to consider: energy efficiency upgrades utilizing multiple energy conservation measures (ECMs), distributed generation projects (co-gen, CHP, diesel, fuel cell), renewable energy projects (solar, wind), reliability/resiliency projects (backup energy supply), sustainability projects (multiple sustainable energy features), micro grid projects (combing multiple energy sources, cross connected to provide resiliency and reliability), and some sort of combination projects including the above.

Donzila expressed the need to understand that typically, energy efficiency projects save you money over long term, with little to no up-front capital costs. Sustainability projects save you money over long term, with a range of upfront costs. Reliability/resilience projects cost you money up front, with varying financial returns over the long term.

The three most common municipal projects are 1, energy efficiency projects, being energy savings performance contracts (ESPC), and energy-conscious design review for new construction/renovations; 2. energy sustainability projects being renewable energy sources and PPA/renewable energy costs; and, 3. resiliency projects, which develop natural gas lines and utilize distributed generation.

Donzila explained ESPC: they are projects that pay for themselves, savings increase over time, and a way to upgrade your facilities. There are typically five phases- 1. Project conception/prequalification. 2. Scope development/issuance of RFP for ESCOs. 3. Investment grade audit agreement negotiated and IGA performed. 4. Project implementation and construction. 5. Post-implementation measurement, verification, and savings. The goal with ESPC is to re-allocate current spending, not add to debt. Typical savings are 25-30%. In CT we have the highest electric rates in the lower 48 states.

Brady discussed our large-scale school projects and personnel involved. He noted the energy-conscious design-gap in new construction projects here in Town. Donzila discussed architect and engineering issues.

4. Fall Program

Pat Sesto repeated Urling Searle's most recent email update on the fall program. Tony Malkin will be stepping in for Peter Malkin. The date and location are still undecided. Skip Parker had discussions with Eversource and if they are a sponsor or participant. Sesto is working with the assessor to obtain a list of the owners of commercial buildings with 25,000 s.f. or larger.

No progress made on sponsorship, yet the committee is looking for three. See last month's minutes. Hall to get contact list from CT Fund for the Environment and Stamford 2030. Ask Rusty Parker help with getting a commercial realtor sponsor. Hall to get a hold of his contact and ask for sponsorship and participation from a building management company.

The Committee discussed pushing the program to January since we don't have a location or date set, sponsorship, or invitation list. It was the consensus of the group to reschedule to January.

5. Next meeting – November 8, 2018

Fall program update.

6. Adjourn

The meeting adjourned at 10:31 a.m.