

~AD HOC REPORT~

Clean Energy

Thursday, May 17, 2007

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Hon. Mark D. Boughton, Mayor
Common Council Members

Chairman Shay Nagarsheth called the meeting to order at 7:15 p.m. on Thursday, May 17, 2007, in the Caucus Room, 3rd Floor, Danbury City Hall, 155 Deer Hill Avenue. Present were Committee members Michael Calandrino and John Esposito. Also present were Mayor Mark Boughton, Corporation Counsel Laszlo L. Pinter, Assistant Finance Director Dan Garrick, Public Buildings Superintendent Richard Palanzo, Jack Kozuchowski, Colin Bennett, Councilwoman Mary Teicholz, Mike McLaughlin and interested citizens.

Chairman Nagarsheth explained that the charge of the Committee was to consider a clean energy proposal. Chairman Nagarsheth asked Mr. Bennett to provide an overview of the proposal. Mr. Bennett began by introducing himself and his non-profit organization, Clean Water Action. The proposed program is called the 20% by 2010. The idea is for Connecticut cities and towns to purchase 20% of their municipal electricity usage from clean air renewable sources by the year 2010. It was mandated by the Connecticut Legislature and it is administered by the Connecticut Clean Energy Fund which is a quasi-governmental organization funded by Connecticut rate payers. If you are paying an electric bill in Connecticut, part of your electric bill goes to the Connecticut Clean Energy Fund. This program is administered by the Connecticut Clean Energy Fund. The State has already made the commitment to clean energy. The State has committed to 20% of the State's energy will be coming from clean sources (these include universities, the State Capitol, etc.). The State's desire is for the cities and towns to follow suit. Rather than mandate the cities and towns to purchase 20%, an incentive program has been developed. A town passes a Resolution committing to 20% by 2010. For every 100 residential or business customers in town that also sign up for clean energy through the Connecticut Clean Energy Options Program, the town would get two free solar panels. Another incentive was to offer the first 40 towns that pass the Resolution a \$5,000.00 grant to help support the program. Unfortunately, 48 towns have already passed Resolutions so that incentive is no longer available. The Resolution is tailored by each city or town. Once a Resolution has been passed, the only document that would need to be executed would be an MOU (Memorandum of Understanding) with the Connecticut Clean Energy Fund which reaffirms the goal of 20% by 2010. The MOU is not a contract, it is a non-binding Resolution and a good faith effort to reach the goal of 20% by 2010. Mr. Bennett explained another option—onsite generation. If the City wanted to invest in its own solar panels or put up its own wind turbines or fuel cells, that would help the City meet its goal of 20% by 2010. Not a lot of towns are pursuing that option because it requires the most capital costs upfront. However, the benefit is that once you install the solar panels, there is no cost, they will just be producing electricity whereas if you are going to be buying from the grid, you will always be paying for it. If you buy solar panels, they will eventually have a payback period between ten and twenty years. You will eventually save money rather than spend money. If Danbury chose to go that route, the Connecticut Clean Energy Fund is paying for up to half of all renewable energy installations up to \$4 million.

Chairman Nagarsheth opened the meeting up for discussion and/or questions. Councilman Calandrino asked how the 20% by 2010 came about. Mr. Bennett explained that in approximately 2003/2004, some students in New Haven, along with some citizen activists, wanted the city to pursue clean energy so they created the idea of 20% by 2010. They approached the New Haven Board of Aldermen to try to convince them to purchase 20% renewable energy. They were successful. So, the Connecticut Clean Energy Fund, in cooperation with some Connecticut non-profit organizations, looked at New Haven as a model and replicated it across the state. This program is now serving as a model for other states that are adopting either the same program or similar programs. Councilman Calandrino asked if there were other towns presently using solar energy through the 20% by 2010 program. Mr. Bennett said there was a handful. He pointed out the success of the program and noted that none of the towns that are participating have backed out of the program once the Resolution was passed. Mr. Esposito asked where the panels have been placed in other towns. Mr. Bennett said that West Hartford placed the panels on their City Hall. Upon reading one of the brochures distributed by Mr. Bennett, Councilman Calandrino noted a surcharge and asked what was being done with the money. Mr. Bennett said that the money was being invested directly into renewable energy infrastructure. Jack Kozuchowski was afforded an opportunity to speak. He explained that he worked with the Corporation Counsel to help draft the proposed Resolution. In the

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Resolution, he noted a lot of reference being made to a commitment to reduce green house gases (GHG). The bottomline of the Resolution is to commit to the 20% of purchasing renewables. A reduction of green house gases has been linked as well. The more we invest in renewable resources, the more we are going to reduce green house gases. The Resolution authorizes the Mayor to appoint a Cool Environment Task Force that will specifically identify how the commitment can be made. Richard Palanzo was afforded an opportunity to speak. He pointed out that the City has been one of the leaders in reducing its energy consumption through conservation which can be seen through the public buildings and the public schools. The proposal is a step beyond in beginning to use clean renewable sources. He pointed out that the City may need to be prepared to spend some additional dollars to achieve the goal because there is a price associated with clean energy use. Mr. Palanzo said that the program comes to the City at a good time because the City is researching options for purchasing electricity. Councilman Esposito asked where the solar panels might be placed. Mr. Palanzo suggested placing them at the landfill on the ground, collect the energy and connect to it. Mr. Garrick was asked to offer his opinion from a financial standpoint. He pointed out the concern that the utility cost would increase, but noted that it would not be an overnight switch—it would be a gradual increase which would need to be planned for in advance. It is an investment into the future. In light of the escalating oil prices, the alternative energy source might be cheaper in the long run. Mr. McLaughlin was afforded an opportunity to speak. He reminded everyone that Danbury is home to fuel cell energy and electro energy which are two of the worldwide leaders in alternative sources of energy. The proposed program fits well with the economy of Danbury. There are a number of jobs that are dependent upon alternative forms of energy. The business community and the economic development community of the State in general believe that those types of companies are going to have a product that is affordable to small businesses and homeowners.

A motion was made by Councilman Calandrino and seconded by Councilman Esposito that the Committee recommend that the Common Council adopt the Resolution that contains the following: (1) A commitment to obtain 20% of the annual municipal electricity demand from clean, renewable sources by the year 2010, beginning with a purchase in the near term and increasing over time to reach the target goal; (2) Establishment of an Energy Task Force to research and make recommendations as to how the City of Danbury can achieve its clean energy goals; and, (3) Education and encouragement of Danbury residents, businesses and institutions to support clean energy. In addition, authorize the Mayor to apply for State and Federal grants and to execute any documents relative to this program. The motion carried unanimously.

A motion to adjourn was made by Councilman Esposito and seconded by Councilman Calandrino. The motion carried unanimously at 7:55 p.m.

Respectfully submitted,

Shay Nagarsheth, Chairman

Michael Calandrino

John Esposito