

M.O.R.E Steering Committee Meeting Minutes
August 4, 2010
Public Library Conference Room, Lopez Island

MORE Committee in Attendance: Anne Bertino (OPALCO Energy Services), Elisa Scott- Howard (OPALCO Energy Services), Winnie Adams (OPALCO Board Member), John Ashenhurst (Crane/ Outer Islands), Eric Youngren (Orcas), Peter Risser (San Juan), John Mottl (Orcas), Jeff Dyer (Lopez), Andrew Borner (Shaw), Chris Greacen (Lopez)

Public in Attendance: Morgan Meadows, Doug Poole, Sandy Bishop, Bob Myhr (OPALCO Board Member) and Chris Thomerson (OPALCO Board President)

The minutes from July 21, 2010 were approved.

The goal for this meeting was to discuss and vote on how the committee would organize themselves, review production based incentive programs, discuss the associated conservation message, and review the budget for the program.

The meeting started with Winnie Adams addressing Randy Cornelius's letter. The goal for the committee is to develop a self generating program, similar to Chelan's SNAP program. The committee reviewed the Green Power program that is in place, it brought in \$67,000 last year. If this money was not spent, would the Green Power dollars be able to roll over into the next year? Winnie also shared she would like conservation to be part of the program, and suggest a required energy audit to participate in the green renewable program.

How the SNAP program operates was discussed. Total annual SNAP dollars divided by annual production would equal the pay out. Andrew said the average pay out at Chelan was 22.8 cents. Andrew calculated 60 systems currently times 3500 (average annual production) using the current amount of \$67,000 would be 32.4 cents per kwh.

Peter Risser inquired about subsidizing the base charge. Winnie responded the base charge dollars are used to maintain operating cost for OPALCO.

John Mottl suggested a high value for early adopters and then over time lower the production incentive. Otherwise, it would create a huge barrier to the implementation of the program. Incentives do not insure long term quality. Upfront incentives are a big mistake. OPALCO has an incentive payback of \$4500 for installation and the federal government is \$9000.

Incentivize high quality devices that work a long time. Payback for out of state devices are about 12 years, in state device (only one vendor in Washington) is 7-9 years.

John Mottl and Peter Risser both shared that Policy 14 needs to be updated. Discussed the difference between "production" - only based on kilowatts used, verses OPALCO incentives. A feed- in tariff is a production incentive.

Chris Greacen feels OPALCO should exclude current members from the new subsidy program. He went on to say incentivize early adopters with a tier rate based in participation and volunteer funds. He iterated that there is never a one time fix, so the need to get the program in place is essential, then the committee could re-evaluate in a year, or longer. This incentive payment, similar to SNAP, would be in addition to the \$.15 / kwh state incentive.

Chris Greacen also thinks conservation is well funded. Local renewable energy conservation verses generating - don't want to lose by taking away and pulling into conservation. It is difficult to meter conservation but production from meters are real, hard numbers, said John Mottl.

Eric Youngren said there is a risk of inflating too much in the beginning. He likes Greacen's idea with gradual reduction with a cap approach.

There was discussion on what low interest loans are available. Winnie shared other utilities have not done well with low funding mortgage programs. Mottl would like more information and Winnie will provide such information at the next meeting.

To summarize the discussion, it was mutually agreed that there is no guarantee on how much money would come in with the volunteer program and having an unknown number of future installments, that there would need to be a cap. There was still uncertainty, and it was agreed that there would need to be a floor as well. A floor is a way of sharing the risk. It was asked that a risk analysis be done.

Jeff Dyer motioned to create a program with a feed- in tariff with a cap and floor based on volunteer donation.

Chris Greacen seconded it. It passed with a majority vote.

The next meeting is scheduled for Wednesday, August 18th on Orcas island at Orcas ferry landing (Russell's) starting at 10:30 am.