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>> THE CHAIR OF COMMITTEE ON GOVERNMENT OPERATIONS. TODAY IS FRIDAY, MAY 11, 2018. WE ARE HERE TODAY TO DISCUSS DOCKET 0567, MESSAGE AND ORDER NAPS AMENDING THE CITY OF BOSTON CODE CHAPTER 6-9.5(G), SOLAR RENEWABLE ENERGY CERTIFICATES REVOLVING FUND. THIS MATTER SPONSORED BY MAYOR MARTY WALSH REFERRED TO THE COMMITTEE ON APRIL 11. THE PROPOSED ORDINANCE SPEAKS TO AMEND THE BOSTON CODE TO DISTRIBUTED ENERGY RESOURCE RESOLVABLE FUNDS. FURTHER AMENDS ALLOW THE CITY TO USE REVENUE TO PURCHASE OFF-SETS OF GREENHOUSE GAS EMISSIONS, ASSOCIATED WITH THE PORTION OF THE ELECTRICITY CONSUMED BY THE CITY. MONITOR AND OPERATE CITY ARRAYS BY THE CITY AND SCHOOL. AND BOSTON PUBLIC SCHOOLS HEAT AND COMBINED HEAT FACILITY INSTEAD OF LIMITED TO THE SOLAR ENERGY CERTIFICATES PRODUCED. ONE NOTE OF HOUSEKEEPING AND REMIND EVERYONE THIS IS A PUBLIC HEARING, IT IS RECORDED AND BROADCAST ON COMCAST 8, RYN842. AND JOINING US IS JOSEPH, THE ENERGY AND FINANCE MANAGER FOR THE ENVIRONMENT DEPARTMENT, AND JOINED BY COUNCILOR MATT O'MALLEY AND COUNCILOR ED FLYNN. GOOD MORNING AND WELCOME. IF YOU HAVE ANY ADDITIONAL OPENING COMMENTS YOU HAVE THE FLOOR.

>> THANK YOU, COUNCILOR. MY NAME AS YOU SAID IS JOSEPH AND I WORK IN THE ENVIRONMENT DEPARTMENT, A MEMBER OF THE CITIES' MUNICIPAL ENERGY UNIT. HERE TO PROVIDE TESTIMONY TO THE COUNCILOR REGARDING THE RENEWABLE ENERGY CERTIFICATE REVOLVING FUND.

THE PURPOSE OF THE FUND IS TWO-FOLD -- THE PURPOSE OF THE AMENDMENT TO AUTHORIZE NEW SOURCES FOR THE REVENUE AND NEW CATEGORIES OF EXPENDITURE. CURRENTLY ONE REVENUE SOURCE IS AUTHORIZED FOR DEPOSIT INTO THE RESOLVING FUND.

THE PROCEEDS OF THE SALE, SOLAR RENEWABLE CREDITS.

THOSE REVENUES ARE USED TO PURCHASE CARBON OFFSETS OF THE GREENHOUSE GAS EMISSIONS WITH A PORTION OF THE ELECTRICITY CONSUMED BY THES CITY.

BOTH OF WRITER PRODUCED BY PUBLIC SCHOOL DEPARTMENT HEAT UNIT.

THE FIRST REVENUE IS THE PROCEEDS OF THE SALE OF ALTERNATIVE ENERGY CREDITS. THE SECOND REVENUE EARNED BY PUBLIC SCHOOL DEPARTMENT COMBINED HEAT AND POWER UNITS IS THE DEMAND RESPONSE PROGRAM HOSTED BY THE REGIONAL ELECTRIC GRID OPERATOR, ISO NEW ENGLAND. PURSUANT TO THE COMMONWEALTH'S GREEN ACT, A CERTAIN PERCENTAGE OF ELECTRICITY MUST BE BY RENEWABLE TECHNOLOGIES INCLUDING COMBINED HEAT AND POWER UNITS. THE PUBLIC SCHOOL DEPARTMENTS COMBINED HEAT AND POWER UNITS GENERATE ALTERNATIVE ENERGY CREDITS, AND THE ALTERNATIVE ENERGY CREDITS CAN BE SOLD BY PURCHASE BY THE UTILITIES TO MEET THEIR OBLIGATIONS UNDER THE ACT.

THE SECOND SOURCE OF REVENUES ARE PAYMENTS FOR PARTICIPATION IN THE REGIONAL ELECTRIC GRID OPERATORS DEMAND RESPONSE PROGRAM.

AT TIMES WHEN THE GRID IS STRESSED THE OPERATOR INSTRUCTS PARTICIPANTS TO TURN ON THE GENERATING EQUIPMENT TO HEAT THE HIGH ELECTRIC DEMAND ON THE GRID.

CURRENTLY TWO HEAT AND POWER UNITS AT THE KENT AND HOLLAND SCHOOLS ARE ENROLLED IN THE

DEMAND ON RESPONSE PROGRAM.
THE ORDINANCE WOULD ALSO
AUTHORIZE THE EXPENDITURE OF
FUND REVENUES TO MONITOR,
OPERATE AND MAINTAIN ASSETS THAT
ARE PRODUCING THE REVENUES, THE
PUBLIC SCHOOL DEPARTMENTS HEAT
AND POWER UNITS AND THE SOLAR
RAYS OWNED BY THE PUBLIC SCHOOL
DEPARTMENT AND CITY.

THE GOAL IS TO HAVE THESE
CATEGORIES OF ASSET, THE SOLAR
RAYS AND CPH UNITS TO BE
FINANCIALLY SELF-SUSTAINING
PROVIDING SERVICES TO THE CITY
AND ENVIRONMENTAL BENEFITS AS
WELL.

>> GOOD, THANK YOU, JOE.
ANY QUESTIONS COUNCILOR FLYNN AT
THIS TIME?

>> NO, COUNCILOR, THANK YOU.

>> THANK YOU.

>> THE CHAIR RECOGNIZES O'MALLEY
ANY QUESTIONS?

>> FIRST A STATEMENT, AND THANK
YOU CHAIRMAN.

GOOD MORNING JOE, A GREAT WAY TO
BEGIN THE FRIDAY,
EXTRAORDINARILY EXCITED ABOUT
THIS.

CAN YOU TALK, HOW MANY SCHOOLS
ARE GOING TO HAVE PV PANELS ON
THEIR ROOF IN THE NEXT YEAR,
FIVE YEARS?

>> WELL CURRENTLY THERE ARE
SEVEN THAT HAVE PV RAYS, THESE
ARE MOUNTED RAYS THAT WERE
INSTALLED I THINK PRIOR TO 2010.

>> OK.

>> GOING FORWARD, THE CITY IS
PLANNING TO INSTALL SOLAR, BOTH
ROOFTOP SOLAR AND CANOPY SOLAR
THROUGH THE RENEW BOSTON TRUST
PROGRAM.

THE CITY IS CURRENTLY IN
NEGOTIATIONS WITH THE ENERGY
SERVICE COMPANY THAT IS
HONEYWELL, AND IF, YOU KNOW, IT
EXECUTES AN AGREEMENT WITH
HONEYWELL THE FIRST SET OF
BUILDINGS THAT WOULD BE ON WHICH
STOWULAR WOULD BE INSTALLED
ACTUALLY DON'T INCLUDE SCHOOLS.
THE SCHOOL DEPARTMENTS, SEVERAL

OF THE BUILDINGS THAT HAVE TO
GET BACK TO REGARDING WHICH ONES
IN PARTICULAR.

IT IS ESCAPING ME RIGHT NOW.
BUT THE MAYOR ALSO AUTHORIZED
THE CURRENT BUDGET \$35 MILLION
FOR A SECOND ROUND OF RENEW
BOSTON TRUST FUNDING AND IT'S
ANTICIPATED THAT SOME SCHOOLS
WOULD BE INCLUDED THIS THAT.
AND EACH TIME IN THAT
TRANSACTION EACH TIME A BUILDING
IS REVIEWED FOR PARTICIPATION IN
THE PROGRAM, ITS POTENTIAL FOR
ROOFTOP SOLAR IS CONSIDERED.

>> THE \$35 MILLION IS FOR
ALL -- IT WILL BE SPLIT AMONG
ALL MUNICIPAL BUILDINGS,
INCLUDING SCHOOLS, LIBRARIES.

>> CORRECT.

I AM SURE YOU KNOW THE SCHOOL
DEPARTMENT ACCOUNTS FOR 12
MILLION SQUARE FEET OF THELE 60
MILLION COMPRISING THESE
BUILDINGS.

>> I MENTIONED IT BEFORE AND I
THINK I KNOW THE ANSWER BUT I
WILL ASK IT.

NEVERTHELESS WE SAT IN THIS ROOM
SEVERAL YEARS AGO AND THERE WAS
A STATE GRANT AVAILABLE THAT TWO
INSTALL PANELS AT THREE
COMMUNITY CENTERS, AND THAT
WOULD BE USED TO POWER EMERGENCY
COMMUNICATION EQUIPMENT IN THE
EVENT OF A NATURAL DISASTER OR
OTHERWISE.

WHAT IS THE STATUS ON THAT?
IS THE HOLD-UP WITH THE STATE?

>> WELL, THERE ARE ACTUALLY TWO
GRANTS.

YOU COVERED THE OBJECTIVES OF
BOTH.

ONE GRANT WAS AWARDED ACTUALLY
TO THE CITY ON BEHALF OF BOSTON
MEDICAL CENTER.

AND THE BOSTON MEDICAL CENTER
WAS CONSTRUCTING THE CHP UNIT ON
ITS CAMPUS AND THAT PROJECT HAS
BEEN COMPLETED.

AND THAT CHP UNIT IS NOW
SUPPORTING, OR WILL SUPPORT THE
CITY'S COMMUNICATIONS
COMMITMENT, WHICH IS SITED

ACROSS THE STREET FROM THE CHP
UNIT IN THE EVENT OF A GRID
FAILURE.

>> YEAH.

>> THE OTHER GRANT WAS FOR
APPROXIMATELY \$1.4 MILLION, AND
THE REQUIREMENTS OF THAT GRANT
WERE TO SITE BOTH SOLAR AND
BATTERY STORAGE UP TO FOUR
BUILDINGS.

AND IT'S -- IT WAS CONCLUDED
THAT THE BUDGET THAT WAS
GIVEN -- ACTUALLY I SHOULD BACK
UP AND TELL YOU THAT IN
ADDITION, THERE WAS ANOTHER
REQUIREMENT OF THE GRANT.
AND THAT REQUIREMENT WAS TO
SUPPORT THOSE BUILDINGS FOR UP
TO 72 HOURS IN THE EVENT OF A
GRID OUTAGE.

AND, YOU KNOW, WE'VE BEEN IN
CONVERSATION WITH THE DEPARTMENT
OF ENERGY RESOURCES, THE AGENCY
THAT AWARDED THE GRANT TO THE
CITY, ABOUT THE AMOUNT OF
STORAGE THAT WOULD BE REQUIRED
TO SUPPORT FOUR BUILDINGS FOR 72
HOURS IN THE AMOUNT OF THE
GRANT.

AND SO WE'VE ACTUALLY BEEN IN
CONVERSATION WITH THE DEPARTMENT
OF ENERGY RESOURCES ABOUT THAT
REQUIREMENT, ABOUT THE COST,
ABOUT WHETHER OR NOT THE AMOUNT
THAT WAS AWARDED WOULD BE
SUFFICIENT.

AND ALSO, YOU KNOW, A REQUIRE OF
THE DEPARTMENT OF ENERGY
RESOURCES THAT THE CITY OWN THE
STORAGE, AT LEAST INITIALLY.
WE WERE ADVOCATING FOR A
FINANCING, THIRD-PARTY FINANCING
THAT IS ALLOWING ANOTHER ENTITY
TO OWN AND OPERATE THE STORAGE
AND TO PAY FOR IT, PAY FOR THE
STORAGE WITH A MONTHLY FEE OVER
TIME.

THAT WOULD ALLOW THE THIRD PARTY
TO CAPITALIZE ON TAX BENEFITS
THAT THE CITY ITSELF WOULD NOT
BE ABLE TO CUT THE LOSS ON,
BECAUSE OF COURSE IT IS AN
EXEMPT ENTITY AND THE TAX
BENEFITS WE THOUGHT WOULD HELP

REDUCE THE COST OF THE PROJECT
OVERALL.
>> WHAT HAS HAPPENED TO THE \$1.5
MILLION?
>> WE STILL HAVE IT.
>> IN AN ACCOUNT?
>> WE DO, YES.
>> BUT IF WE GO THROUGH A
PRIVATE VENDOR, WHICH IS
SOMEWHAT COMMON WHERE THERE ARE
MANY VENDORS THAT WILL INSTALL,
PAY, YOU GET A BREAK ON
ELECTRICITY BUT OWN IT.
ISN'T IT THE SAME IF WE DO THIS,
DOESN'T OUR COSTS DROP
DRAMATICALLY?
>> OUR COSTS TO HAVE IT
INSTALLED?
>> YES.
>> THAT'S THE HOPE THAT WE WOULD
CAPITALIZE ON THE TAX BENEFITS
BECAUSE THEY WOULD PASS THOSE
BENEFITS THROUGH TO US.
AND LOWER THE PRICE FOR THE
INSTALLATION.
THEY WOULD ALSO BE ABLE TO
REGISTER THE BATTERY TO, YOU
KNOW, REDUCE THE DEMAND CHARGES
THAT ARE ASSOCIATED WITH THE
ACCOUNTS WHERE THE STORAGE WILL
BE PROVIDED.
REDUCE CAPACITY CHARGES AS WELL
AND POSSIBLY DEMAND RESPONSE AS
WELL.
>> HOW DOES THIS AFFECT THE
TIMELINE?
ONE OF THE WEB SITES IS IN
JAMAICA PLAIN AND I AM VERY
EXCITED TO ONE DAY SEE THOSE
BEAUTIFUL PV PANELS ON THE ROOF.
WHEN CAN WE EXPECT TO HAVE THE
RIBBON CUTTING.
>> I CAN TELL WHEN WE EXPECT THE
RFP TO BE ISSUED, PROBABLY THE
NEXT COUPLE OF MONTHS.
>> GREAT.
I LOOK FORWARD TO THAT.
THANK YOU.
>> HOW MUCH REVENUE IS CURRENTLY
BEING GENERATED?
AND WILL WE EXPECT A CHANGE IN
REVENUE BASED ON --
>> YES.
BECAUSE WE ARE ADDING TWO NEW

ADDITIONAL SOURCES OF REVENUE.
I MADE PROJECTIONS, BECAUSE THE
PRICE VARIES ON THE ALTERNATIVE.
THE SOLAR RENEWABLE ENERGY
CREDITS.
AND OUR DEMAND RESPONSE REVENUES
DEPEND ON HOW MANY TIMES WE
RESPOND.
BUT MY ESTIMATE WAS THAT FROM
ALL OF THE SOURCES OF THE
REVENUE THAT WOULD BE SLIGHTLY
MORE THAN \$200,000.
\$213,000.

>> YOU MENTIONED ASSETS AND
THERE IS A PIECE WHERE WE ARE
MONITORING, OPERATING,
MAINTAINING.
ARE OUR ASSETS IN GOOD
CONDITION?

AND IS THERE ANY -- AS WE'RE
GOING THROUGH THE BUDGET NOW,
GOING THROUGH CAPITAL.
I AM NOT SURE WHETHER CAPITAL IS
IT ACCOUNTING FOR SOME OF THOSE
ASSETS AND MAKING SURE THEY ARE
IN GOOD CONDITION TO TAKE
ADVANTAGE OF THIS.

>> YES.
>> BUT THE OVERALL VIEW OF THE
ASSETS TO TAKE IT AND YOUR VIEW
OF THAT.
>> I BELIEVE THAT THE SOLAR IS
IN GOOD CONDITION, BUT IT DOES
NEED TO BE CONTINUALLY MONITORED
TO MAKE SURE IT IS OPERATING
CORRECTLY.

THESE REVENUS ALLOW US TO PUT
IN PLACE AN OPERATION AND
MAINTENANCE CONTRACT AS WELL.
SO THAT IF ANY PARTS BREAK DOWN,
FOR EXAMPLE INVERTERS ARE
USUALLY THE WEAK LINK IN THE
SOLAR ARRAY.

IT IS IDENTIFIED RIGHT AWAY SO
WE DON'T LOSE PRODUCTION AND
REPAIRS MADE IMMEDIATELY.
SLIGHTLY DIFFERENT SCORE WITH
CHP UNITS.
29 UNITS, AT 20 SCHOOLS AROUND
THE CITY.
THEY WERE INSTALLED IN THE MID
2000S AND THEY ARE IN
VARIOUS -- THEIR CONDITION
VARIES.

BECAUSE THEY'VE BEEN RUN PRETTY HARD.

THERE ARE SEVERAL THAT ARE ACTUALLY OFFLINE AT THIS POINT. THERE ARE OTHERS THAT HAVE RECENTLY BEEN REFURBISHED AND THOSE ARE THE UNITS THAT QUALIFIED FOR THE ALTERNATIVE ENERGY CREDIT PRODUCTION AND DEMAND RESPONSE WITH THESE REVENUES, WE'RE HOPING TO REFURBISH MORE AND BRING OTHERS ONLINE SO THE WHOLE PORTFOLIO IS UP AND RUNNING AND SAVING MONEY. >> ANYONE HERE WISHING TO OFFER PUBLIC TESTIMONY?

HEARING NO DESIRE FOR ADDITIONAL PUBLIC TESTIMONY, THAT WILL CONCLUDE THE PUBLIC TESTIMONY PORTION.

AND JUST AN OPPORTUNITY TO SAY THANK YOU TO JOE, FOR YOUR TIME AND TALENTS ON BEHALF OF OUR CITY AND ITS RESIDENTS. AND I KNOW THIS IS AN IMPORTANT ISSUE FOR THE MAYOR AND COUNCILOR O'MALLEY HAS DONE A LOT OF GREAT WORK ON THE COUNCILOR AROUND THESE ISSUES AS WELL.

WE'RE EXCITED TO HAVE THIS ORDINANCE AMENDED AND TRY TO GET THIS BEFORE THE COUNCILOR AS SOON AS POSSIBLE FOR COUNCIL VOTE.

WITH THAT, IF YOU HAVE ANY FINAL PARTING COMMENTS, OTHERWISE WE CAN CONCLUDE WITH RESPECT TO DOCKET 0567.

>> NO FURTHER COMMENTS, COUNCILOR, THANK YOU VERY MUCH.

>> GOOD.

IT'S GOOD TO SEE YOU, JOE.

MY COLLEAGUE ANY COMMENTS?

GOOD.

ROCKET 5067, MESSAGE AND ORDINANCE AMENDING 6-9.5(G), THE SOLAR RENEWABLE ENERGY CERTIFICATES REVOLVING FUND THE COMMITTEE ON OPERATIONS IS ADJOURNED, THANK YOU.