

Operations Committee Meeting
January 8, 2015
Minutes

A regularly scheduled meeting of the Operations Committee was held on Thursday, January 8, 2015, in the Administration Building. The meeting was called to order at 7:02 p.m. Present were Mrs. Hayes, and Mr. Blanchette. Mr. Roberson arrived at 7:12 p.m. Also present were Mrs. Devlin, Mr. Butler and Mr. Cullinan. Mr. Friedman was absent.

- Presentation of Ellington Middle School Lighting Proposal

Tim and Sam Schneider of Earthlight Technologies were present along with Mr. Butler to provide background information on a proposed lighting upgrade at Ellington Middle School. The proposed project will replace hallway, interior classroom, parking lot and exterior wall pack lighting with energy efficient LED lighting. The project will also reduce energy costs for the walk-in freezers and vending machines. There is no upfront cost to the Board of Education. The loan to finance the project is paid through the monthly energy savings. The project will be fully paid in four years. The project is estimated to produce an annual electric usage savings of \$18,792.25 with an annual natural gas usage savings of \$2,986.25. The combined estimated annual energy savings of \$21,778.51 will be realized by the Board of Education, after the loan has been paid.

A motion was made to recommend approval of the Ellington Middle School Lighting Upgrade Project by the full Board of Education.

1st. G. Blanchette 2nd. A. Hayes

VOTE: Unanimous. The motion passed.

Tim Schneider presented information to the committee related to the potential use of solar energy in all buildings. He explained the Power Purchase Agreement and the ZREC lottery. Any project to introduce solar into our schools would start with participation in the Zero Renewable Energy Credits (ZREC) lottery. The ZREC lottery for small load projects, which would be all of our buildings, with the exception of the high school, will open in a few weeks. It is estimated that we have about a 65% chance of being selected in the ZREC lottery. If selected you have a year to complete the project. The Operations Committee endorsed entering the ZREC lottery.

A motion was made to recommend approval by the full Board of Education submission of solar projects to the ZREC lottery by Earthlight on behalf of the Board of Education.

1st. A. Hayes 2nd. G. Blanchette

VOTE: Unanimous. The motion passed.

- Presentation of Ellington High School Arborvitae Removal

Mr. Butler presented the Arborvitae Removal Project at Ellington High School to the committee. He stated that the arborvitaes have grown large and now block the line of sight as you drive around the high school from the rear of the building near the loading dock. Students use this area to walk from the front school sidewalk to the main sidewalk. The driver's view of the students is blocked by the arborvitaes creating a safety concern. Once the removal is completed, Mr. Butler will determine the type of landscaping that will be placed in this area.

A motion was made to recommend approval of the Ellington High School Arborvitae Removal Project by the full Board of Education.

1st. D. Roberson 2nd. G. Blanchette

VOTE: Unanimous. The motion passed.

- Old Business

There was no old business.

- New Business

There was no new business.

A motion to adjourn was made at 7:53 p.m.

1st. G. Blanchette 2nd. A. Hayes

VOTE: Unanimous. The motion passed.

Respectfully submitted,

Ann Marie Hayes

AMH/scc



Mr. Steve Cullinan

January 13, 2015

Superintendent of Schools

Town of Ellington, CT

Steve,

As a follow up to our meeting we had with you and the Operations Committee on January 6, 2015, I wanted to give more information on the PPA and the ZREC.

In general, commercial solar PV in Connecticut at this time usually has around a five year payback (with a ZREC award which I will explain shortly) for a commercial consumer with a good healthy need for tax breaks and credits. We have a lot of these projects in the pipeline here in Ellington and surrounding towns and the solar, once installed, will help the building owners reduce and fix their energy costs over the next thirty years.

Where the interested consumer is a non- tax paying entity such as the Town of Ellington, the cash payback without the tax incentives usually comes in around 10 years with a ZREC award.

What is a ZREC?

CL&P has been mandated by the government to produce 20% of their electricity generated by renewable methods such as solar, wind, hydro, etc... by the year 2020 (20% by 2020). The only way for them to get close to this goal is by creating the ZREC program. ZREC stands for Zero Renewable Energy Credits, in which they pay the solar owner an agreed upon stream of money for 15 years and the Utility then claims the renewable generation as part of their 20% goal. The ZREC is offered in three different sizes, small, medium and large. Most of the schools will only have enough room for a system that falls into the small lottery. The high school would be the exception, going into the large ZREC auction. As in most things, timing is everything, and the small ZREC lottery opens up in a few weeks for two weeks. It is usually offered once per year, and each year the value drops about 20%. This lottery coming up the ZREC is priced at \$81.00 per ZREC. The previous year the ZREC was valued at \$104.00 and the year before that it was valued at \$146.00.

PPA (Power Purchase Agreement)

Over the last few years a quasi-state agency was created called CEFIA (Clean Energy Finance and Investment Authority) which just recently changed their name to The Connecticut Greenbank.

The Greenbank operates many investment vehicles to finance Energy Efficiency projects and Renewable projects such as C-PACE which the Town of Ellington recently adopted.

Another program that the Greenbank offers is the PPA program (Power Purchase Agreement) which has become really popular for the non-tax paying entities. Coventry schools has recently installed many arrays of solar using the PPA method. This method is similar to a lease, where the solar is installed at no cost to the town and only pays for power generated at a locked in rate for 20 years. The rate will be fixed and will be lower than the town is paying today and will stay the same no matter how high the normal price of power goes from CL&P. This will only work if the school secures the ZREC award first to help the Greenbank' financials work.

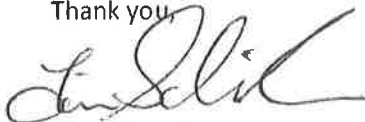
Earthlight is asking for approval to apply for the ZREC for each school, Crystal Lake, Center, Windermere, Ellington Middle School and the admin building. This is a lottery and the chances of being selected is probably around 65% per location. If we put one in for each we may be able to get selected for two or three.

The High School has such a large load that the small ZREC would not do too much. We may want to wait until early summer when the medium and large ZREC auction comes available and before that see if there is some ground nearby to use for a large ground mount.

To enter into the ZREC lottery is very little effort and will be handled by Earthlight with your permission. If and when selected, there is a two week window to complete paperwork to let CL&P know you are serious. Then there is a year to put the PPA together and to install the projects. Again, no money out of pocket and a locked-in, fixed rate for electricity for the next twenty years.

I am available to come in and answer questions or can be contacted by phone or email.

Thank you,



Tim Schneider

Earthlight Technologies