

DRAFT Minutes of the Montana Renewable Energy Association
Quarterly Meeting, July 9, 2008
Helena -- MT DEQ, 1100 N. Last Chance Gulch, Rm. 112

Note: Bold text indicates action items that require follow-up.

Present: (8 of 9 board members, 5 required for a quorum)

Dave Ryan (NCAT, Butte), President and Board Member
Chris Borton (Sage Mountain Center, Whitehall), Vice President and Board Member
Chris Daum (Oasis Montana, Stevensville), Treasurer and Board Member
Patrick Judge (MEIC, Helena), Secretary and Board Member
Steven Aagenes (InSolar, Helena), Board Member
Kathi Montgomery (MT DEQ, Helena), Board Member
Tom Bishop (Sunelco, Victor), Board Member
Conor Darby (Independent Power Systems, Bozeman), Board Member
Jack Isbell (Solar Montana, Helena)
Megan Kujawa (NorthWestern Energy, Butte)
John "Rip" Hamilton (Solar Plexus, Missoula)
John Jones (Highmark Media, East Helena)
Ken Hammonds (Greenlight Electric Co., Great Falls)
Ben Reed (Winpower West, Billings)
Ben Brouwer (AERO, Helena)
Georgia Brensdal (MT DEQ, Helena)
Pete Richter (MT DEQ Renewable Energy Intern, Helena)
Ross Holter (Flathead Electric Cooperative, Kalispell)
Ashley Preston (Energy Tech Program, University of Montana COT, Missoula)
Paul Tschida (MT DEQ, Helena)
Don Clark (City of Helena)
Mark Fitzwater (City of Helena)
Dan Kenworthy (Kenworthy Electric, Sheridan, MT)

Present on Phone:

Sam Hall (University of Montana COT Energy Tech. Student, Missoula)
Paul Farley (groSolar, Bozeman)
and possibly Henry Dykema (Sundance Solar, Red Lodge)

"State of the State" Report: Shortly after 12:00, President Dave Ryan convened the informal "State of the State" technology report session. Among the subjects discussed were:

- lightning issues
- the Skystream 3.7 (which refers to diameter of swept area, not power output)
- Georgia Brensdal discussed a new 50 kw turbine that would be good for community wind projects
- Chris Borton discussed a couple of damaged solar modules -- one was from a BB, but the other was a mystery -- the panels still produce a lot of power, but Dave Ryan warned that moisture would get in, causing corrosion and degradation of output
- Conor Darby likes the ARE 110 wind turbine, which he described as very robust
- Chris Borton sang the virtues of the sealed AGM batteries vs. the old fashioned lead-acid variety -- Conor Darby, Tom Bishop and others discussed the pros and cons of various batteries,

and bemoaned the rapidly increasing prices

Introductions / Minutes: Dave Ryan convened the meeting at 12:34 and led a round of introductions. Kathi Montgomery moved that the informal notes of the April 8th meeting AND the report of subsequent official board activity be approved. Chris Daum seconded the motion, and it passed unanimously.

Agenda Review: Steven Aagenes moved that the board accept his resignation and that Jack Isbell be considered as his replacement. Conor Darby seconded the nomination of Jack Isbell, and the board passed the motion unanimously. President Ryan thanked Aagenes for his service to MREA, and welcomed Isbell to the board.

Treasurer's Report: Chris Daum reported that MREA had \$7,045.97 in its bank account as of June 30, 2008, with one outstanding check for \$100. Daum reported that the organization has a record 50 members who have paid their 2008 dues). **Dave Ryan reported that he will be sending in \$140 from Christmas light sales.**

MREA Task Review: Patrick Judge reported that several of the action items from the last board meeting had been completed. Kathi Montgomery and Pete Richter reported that the montanagreenpower.com dealers list has been updated. The consensus of the group was that any inactive business (with stale contact info.) would be removed from the list, but only after Kathi sends an inquiry to the MREA listserve asking if anyone has additional information.

Proposal to Expand the Renewable Energy Loan Program: Kathi Montgomery suggested that it might be advisable to increase the grant limit on the alternative energy revolving loan program from \$40,000 to allow for a couple of large commercial projects each year (as long as there is enough money in the account so that these loans will not adversely affect the smaller projects). Ben Reed noted that costs of everything have increased substantially, and that a higher limit would be appropriate. The group felt that bumping the limit to \$80,000 (about the cost of a 12 kW PV system) would be desirable. Rip Hamilton also argued for extending the payback term, which is currently capped at 10 years. Ben Reed asked if there was a payoff requirement, in the event that someone sells their property. **Kathi Montgomery thought that the rules probably covered that, but said she would check. She also promised to send around a more detailed report on the history of the program, to help inform the discussion going forward. Patrick Judge promised to set up a call with Sen. Mitch Tropicola who carried the bill last session to allow for stand-alone conservation expenditures.**

New Net Metering Tariff: Megan Kujawa reported that NorthWestern Energy's net metering program was adopted as an official tariff by the Montana Public Service Commission. Previously, it was merely a "pilot program." A "tariff" is just a term of art -- all of the PSC approved rate schedules are tariffs, even if there is no cost associated with them. There is no substantive change in the program. New applicants for interconnection agreements will have a simplified one-page cover sheet to fill out, on which they list their basic contact info. and certify that they have read the attachments.

NWE USB Report: Megan Kujawa reported that John Campbell is transitioning within the company to work on industrial energy efficiency, and that she will be the new renewable energy contact. Campbell is handling the current round of USB grants, which total about \$500,000. Various installers expressed frustration that the grants haven't shown up yet, and described the hardship of postponing projects during the height of the summer install season (especially when commitments have been made, based on NWE representations). A vigorous and healthy discussion took place about how to better structure the process, and how to reform the USB program (and law) generally (pros and cons of the private vs. public systems, etc.). There was talk about the importance of sending a common message to the potential customer, about the size of the grant. Different dealers handle it differently. The rebate level is \$3 per Watt, with a maximum possible of \$6000 -- but the customer may not get the rebate for the full 2 kW system. The dealer may be out of grants, or may have chosen to subdivide the grants (as IPS does). Kujawa said that overall funding hasn't been reduced, but the number of dealers is increasing. She said it's impossible for NWE to know how much grant money will be available at the beginning of the year, because USB revenue varies with load (# of customers, weather, average customer use, etc.). She said this is one reason John Campbell has divided the funding into two cycles per year. **Kujawa welcomed the feedback, expressed willingness to accommodate concerns, and invited further input and discussion.**

USB Policy Issues: Patrick Judge reported that the USB program is set to expire at the end of 2009, unless reauthorized by the legislature. The Energy and Telecommunications Interim Committee has made a unanimous recommendation to remove the "sunset" provision entirely to make the program permanent (unless acted upon by a future legislature). Judge also reported that the USB program has serious flaws, and that numerous parties have suggested replacing it with a more effective mechanism. There will be a hearing before the Public Service Commission next Wednesday, dealing with the allocation of the NorthWestern Energy's USB funds. While a majority of the commissioners are sympathetic with renewable energy interests, they are also highly concerned about the impact of rising natural gas prices on low-income customers for the coming winter heating system. Dave Ryan plans on attending the hearing. The group agreed that the following points should be made:

- USB has facilitated the development of a renewable energy industry in Montana. MREA has an impressive list of dealers / installers working in many communities across the state (creating jobs, paying taxes, etc.)
- Renewable energy has numerous benefits to the environment AND economy -- our current energy policy is clearly NOT working, with rapidly increasing prices due to our reliance on fossil fuels. Renewable energy offers price certainty, independence from fuel price volatility and the threat of regulatory costs for carbon emissions. Renewable energy is a critical part of a more effective and sensible energy policy that will help benefit all consumers, including low-income. Producing electricity at the point of use also has economic advantages, by allowing utilities to avoid or defer transmission line investments.
- Numerous USB renewables projects have gone directly toward assisting low-income customers (Gold Dust Apartments, Ptarmigan Apartments, ACME building in Billings, Homeword projects, etc.)
- and MREA is particularly proud of the recent work they have been doing in the area of safety training, forming an historic formal partnership agreement with OSHA.

In addition, the group thought it might be useful to include some numbers, such as the USB-funded cost per installed kW (vs. other technologies), the number of people who have participated in the educational activities, and the value of the pollution avoidance.

Neighborhood Conservation Clubs: Ben Brouwer reported on the creation of Neighborhood Conservation Clubs in Helena, a joint project of AERO, Saturn Resource Management, and the SAVE Foundation. He described the clubs as having two functions -- helping educate each other, and holding each other accountable ("half book club, half Alcoholics Anonymous"). This is a year-long pilot project that they are hoping to replicate in other towns across the state. AERO has hired a VISTA volunteer (Dan Lloyd, who used to work with Sage Mountain Center) to head up the project. People praised the Energy Saver Tip Sheet written by John Adams that ran in the Great Falls Tribune on July 6, 2008.

Safety Issues Update: John Jones reported that the safety trainings have been on hold for the summer, but that there will be a first-aid training in the Fall. He and Ashley Preston reported on a training they did with 75 trades students from the Helena School District. It was a week-long workshop, and included a tour of the new conservation house in Helena. Another such tour is scheduled for linemen. On July 28th, there will be a safety training with OSHA and NWE hosted by the Missoula College of Technology on South Ave. It is open to the public, but will be capped at 20 people. John said that the whole block has been changed by the two most-recent conservation homes that have been built in Helena. While they were not sold as low-income homes, the area probably qualifies as such -- but it is rapidly improving, thanks to these projects. The two homes have totally different PV systems that provide a nice contrast for visitors.

NWEC Update: Patrick Judge reported that the Northwest Energy Coalition (of which MREA is a member) had a very successful Spring Board Meeting and Conference in Helena on the weekend of May 30-31. Probably about 100 people attended, including the Lieutenant Governor; 9-time Congressman Pat Williams (keynote speaker); numerous legislators, city commissioners, and public service commissioners and candidates; and several MREA members. The conference featured panel discussions on energy efficiency, the role of Montana's renewable energy resources (in-state primarily vs. energy for export), and low income and climate change issues. Also, the following Montana organizations either joined or re-joined: Northern Plains Resource Council, Montana Chapter of the Sierra Club, Montana Audubon, and The Policy Institute. For more information, see: www.nwenergy.org

Legislative Preview: Patrick Judge reported that the conservation community is continuing to prepare for the 2009 legislature, and will be advancing a package of energy related bills. Judge also distributed a list of 36 energy-related bill draft requests that have already been posted on-line (titles only). For comic relief, he also included LC 162, a proposal to establish a "state yummy thing".

Round Robin Updates, Calendar Items, and Announcements: Paul Tschida announced that the Montana Green Building Initiative was kicked off in Missoula on June 21st, with a tour of efficient homes. They're going to be holding several trainings in the near future, including a meeting tomorrow at the Montana Building Industries Association. MBIA is following along with the national program. Apparently they're claiming that LEED certification is too expensive,

and so they're marketing their program as the "working class" version. They do think that third party certification is important. The certification levels are bronze, silver, gold, emerald. Tschida also said that the Building Codes Bureau has not yet met to update Montana's building code to the 2006 IECC version (with amendments).

Megan Kujawa announced that NorthWestern has copies of its solar heating publication available, and offered to distribute copies to anyone interested. She also encouraged everyone to attend the safety trainings, which are free. While the trainings are not currently required in order to get USB assistance, that could change in the future. She also announced that NWE will soon be offering rebates on high efficiency water heaters, which will likely cover about half the cost. NWE will be rolling out additional natural gas DSM programs, in addition to the good rebates for insulation, lighting, etc. Next, Kujawa mentioned that the request-for-proposals is out for 45 MW worth (individual project size cap of 5 MW each) of community renewable energy projects that NWE is directed to acquire by 2015. There will be a bidders conference in Butte on July 16th, but other people can listen in as well. Finally, Kujawa reported that the Missoula green blocks program is underway -- NWE will be conducting expanded energy audits on about 100 homes in the Missoula area. NWE will be installing all of the weatherization measures, and paying up to 100% of the cost (for homes with less than R-19). They will gather information about the project for about one year, and then consider expanding it to other communities.

Ross Holter from Flathead Electric Cooperative reported on several new projects. They hired Jeff Wongstrom of Thirsty Lake Solar to create a new display in their office lobby. They are moving forward with a 1.6 MW landfill gas project -- see:

http://helenair.com/articles/2008/07/13/state/56st_080713_coop.txt

They've been trying to work with Plum Creek and Stolz, to get them to convert to more efficient boilers. In general, they're ramping up their energy efficiency programs, and have hired a couple of new staff people. There will be incentives for new construction (like the old Super Good Cents program), and for solar thermal. FEC has adopted a "annual true-up" net metering policy, and Holter reported that some other Montana co-ops may follow suit.

Chris Borton reported on the Sage Mountain Center's recent activities. He strongly encouraged everyone to remember how important customer service is -- people are willing to pay more for service that is prompt, courteous, trustworthy, etc. **Borton invited feedback from the installers as to what changes he should make in his educational programs. Rip Hamilton asked him to include load charts.** Borton thinks that creative, third-party financing mechanisms are really taking off (like with Citizen RE, the CA Business Energy Tax Credit, or the work that was recently described to MREA by Buzz Alexander). Rip Hamilton thought that those things would have only a modest effect in Montana, until time-of-use pricing comes in (and he also mentioned the 50 kW net metering cap).

Paul Tschida and Kathi Montgomery invited people back to Rm. 112 for Friday's presentation, from 12:15 to 1:00.

Conor Darby made a strong pitch for the networking benefits of the Green Drinks gatherings.

People requested that more MREA brochure be made available.

Kathi Montgomery mentioned that the DEQ solar parking lot lights were up and working at the Last Chance Gulch location. **She promised to send around the cost information.**

It was agreed that MREA would again host a booth at the Bioneers Conference, and Conor Darby volunteered to work on that.

Next Meeting Date and Location: It was suggested that the next meeting take place in Missoula on October 8th, with a **special effort to invite Marla McCombie**. The following meeting was tentatively scheduled to take place in Billings, to coincide with the Harvesting Clean Energy Conference in January.

Adjournment: Patrick Judge moved adjournment at 3:45, and the motion passed unanimously.

These DRAFT Minutes were prepared by Patrick Judge, Secretary