

Minutes of the Montana Renewable Energy Association
Quarterly Meeting, October 12, 2005
Best Western Grant Creek Inn, Missoula

Present:

Dave Ryan (NCAT), President and Board Member
Chris Borton (SMC), Vice President and Board Member
Chris Daum (Oasis), Treasurer and Board Member
Patrick Judge (MEIC), Secretary and Board Member
Georgia Brensdaal (DEQ), Board Member
Marla McCombie (BPA), Board Member
Jason Schmidt (Phanes Solar), Member
Kathi Montgomery (DEQ), Member
Tom Butts (AERO), Member
Jody Aldegarle (Solar Plexus), Member
TJ Fite (Sunelco), Member
John Senn (MUD)
Lyle Neiss (Mission Valley Power)
Steve Corrick (Solar Cafe)
Tom Platt
Darin Austin (Freecycles Missoula)
Michael Doerner

President Dave Ryan called the meeting to order at 12:40 pm. He led a round of introductions, and gave an overview of MREA for the benefit of first-time attendees.

Guest Speaker: Brian Kerns described the Alternative Energy Technician program which is under development at University Montana - Missoula College of Technology. Some of the features of the program are:

- two-year program to begin with, starting in Fall 2006
- mostly on-line to begin with
- \$100-\$150 per credit hour -- self-sustaining, not State supported
- working on a green building (Platinum LEED) / showcase campus -- \$1 million seed grant
- already has the 10 kW Bergey -- USB grant to interconnect it / hopefully expand to solar
- looking at locating a 50 kW machine in Missoula somewhere -- Mount Dean Stone
- \$1 million USDA biomass grant -- spark generator, Combined Heat and Power
- \$3 million transportation fund
- working closely with Montana Tech engineering program, etc.
- will cover traditional, transitional, and emerging technologies (including hydrogen)
- UM satellite campus in China -- trying to market this program over there too
- looking for feedback and letters of support (he also has handouts with more info.):

Brian Kerns
UM College of Technology

909 South Avenue West
Missoula, MT 59801
406/243-7693

President Dave's Judith Report: At 1:15, Dave Ryan presented a slide show on the Judith Gap wind project. Much progress is being made on the construction of this 135 MW project (Montana's first modern wind farm). The dedication was held on Friday, October 7 and was well attended. Some of the details Dave covered:

90 turbines (1.5 MW GE) -- 25 completed at this time

30 more in Phase 2 (hopefully)

working early and late in the day, to avoid the heaviest wind!

(but no wind-related hold-ups)

9 landowners, that are keeping their land in agricultural production

(State of MT is one landowner, and will receive about \$1 million)

they receive roughly \$2500 - \$3500 in lease income per year per turbine

tower height = 80 meters

diameter of swept area = 84 meters

located in a very wind area, with other projects nearby in Martinsdale & Two Dot

Chris Borton moved to accept the minutes from the July 6, 2005 meeting. Kathi Montgomery seconded the motion and the motion passed unanimously.

Treasurer's Report: Chris Daum reported that there were 30 paid members for 2005, and \$5392.08 in the account as of October 11, 2005.

Policy Committee Report: Patrick Judge gave an update on NorthWestern's Universal System Benefit program. Typically, NWE collects and spends about \$800,000 per year on renewables. But once again, there is mounting pressure to redirect these funds to low-income activities. MEIC and other groups have advocated for a different approach, and have put forth a plan which would raise additional low-income funds while maintaining the current level of funding for renewables. Elements of the plan include:

- transferring cost-effective USB programs into default supply rates, to "free-up" funds
- increasing the gas USB (most customers heat with gas & the gas increases have been high)

- requiring large industrial customers to support low-income, like everyone else

The company has about \$385,000 left this year. The advisory committee has made recommendations, which include Independent Power Systems' food bank proposal.

There is an absence of projects in the Billings and Great Falls areas, so these would be natural areas to target first. Patrick also gave a quick update on the status of Montana's Renewable Energy Standard legislation (SB 415), which passed in 2005. The law requires NorthWestern to meet the following targets (although there is some troubling language that could limit the effectiveness of the bill, that will hopefully be amended in the future):

- 2008 5% electrical energy

- 2010 10%, with 50 MW coming from community-owned, small (<5 MW) projects

- 2015 15%, with 75 MW coming from community-owned, small (<5 MW) projects
The Public Service Commission is developing rules to implement SB 415.

Georgia Brensda1 gave an update on federal energy legislation (having returned from Sandia National Labs, where the President had toured before signing the federal energy bill). Georgia recommended the Solar Energy Industries Association website (www.seia.org). The bill included the following solar / renewable incentives:

- increased the business tax credit from 10% to 30% (in 2006 and 2007)
- established a 30% tax credit for residential systems, up to \$2000 (in 2006 and 2007)

However, Georgia thought that an appropriations bill was still needed to fund some of the incentives (Pat thinks this is for grants, but not for tax credits). Georgia reported that some R&D for renewables was authorized, and that the federal energy management program was reauthorized.

Georgia also reported on the state renewable energy and energy conservation tax credits.

YEAR	TYPE	# OF CLAIMS	TOTAL AMOUNT
2001	renewable	211	\$41,193
2002	renewable	485	\$283,000
2001	conservation	2600	
2002	conservation	5000	

The Department of Revenue is concerned about improper use of the credits and have prepared new instructions on the tax form. Pat had heard similar concerns, and is sympathetic -- the State should not be subsidizing practices or appliances that do not advance the underlying public policy objectives of these statutes. Perhaps an amendment to the law is in order that would specify Energy Star models, and clarify that only the incremental cost is eligible. It would behoove the conservation / renewable energy committee to propose such a change, as a sign of fiscal responsibility and good will. Pat has also heard that DOR has refused at least one attempt to construct a renewable system incrementally, using the \$500 tax credit each year. Unlike the conservation credit which only allows for 25% of the cost to be covered, the renewable credit is dollar-for-dollar up to \$500. In this instance, Pat feels the DOR is in clear violation of the law. The legislature may have had something else in mind, but that body nevertheless has an affirmative duty to clearly express its intentions in the statutes. The legislature may choose to change that law, but in the meantime, someone could easily win a lawsuit against DOR on these grounds. Georgia noted that the State has limited experience in auditing all the scenarios. Pat noted that many people who had claimed the conservation credit in recent years were recently audited.

Other Reports:

Governor Schweitzer's Energy Summit will occur in Bozeman October 18 and 19.

Kathi Montgomery reported on the geothermal information project.

Kathi also announced that Spokane is hosting the 2006 Harvesting Conference Feb. 27-28.

Updates from Members:

Jason Schmidt reported that he is working on a couple of 10 kW Bergey projects, and a small hydro project at No Name Creek (12 gpm). His company has 1/2 dozen

remote communication relays in Lewis and Clark County, but he wants to focus more and more on renewables. He will be advertising some specials in the Independent Record. Jason also worked on the Bergey project at Blue Cloud.

Sunelco reported 20% price increases in the market, across the board, having to do with copper prices, increased demand, shortage of silicon, etc. Sunelco still sees barriers to the mainstream that we have to address with education. Sunelco does a majority of its work out of state.

Chris Borton reported on Sage Mountain's continuing series on renewable energy (sponsored by NWE USB). Once again, he is seeing good attendance (125 total from the first two -- Missoula presentation later on today, in this same conference center). He is also conducting 10 more detailed solar electric workshops at Sage, for the "do it yourselves." The schedule for his seminars is:

- September 21 -- Billings
- September 22 -- Bozeman
- October 12 -- Missoula
- November 16 -- Helena
- November 17 -- Great Falls
- November 18 -- Butte

Tom Butts reported that AERO (www.aeromt.org) is expanding beyond its agricultural tours to also offer energy tours (4 planned this year):

- October 13 -- Manhattan Area
- October 28 -- Gold Dust Apartments and Missoula Urban Demonstration Project
- November 11 -- Martinsdale Hutterite Colony
- November 14 -- Billings

Lyle Neiss distributed information about Mission Valley Power's 2005 conservation programs.

Announcements:

Marla McCombie announced that she was resigning from the board, but would remain active in MREA.

There are at least two good websites for organizations and businesses to be listed on: www.montanagreenpower.com and www.findsolar.org.

Next Meeting Date and Time: Wednesday, January 11 in Bozeman, 12:30 - 3:30 -- location TBA.

Adjournment: The meeting was adjourned at 2:30, to the parking lot, for purposes of exchanging Christmas lights.

These Minutes were prepared by Patrick Judge, Secretary.