

Meeting 1/02

9 January 2002

Not for general publication

Present: Chris Daum (in the chair), Roy Nollkamper, Lee Tavenner, Georgia Brensdal, Chris Borton, Tony Boniface, Tim Ranf, John Walden, Gail Snow, George Snow, Mikey Strickland, LuMarie Strickland, Dan Healy, Bob Anderson, Dave Ryan, Edward Roe, Logan Bryce, John Husar, Ray Schott, JoAnne Smith, Sam Westlind, Steven Aagenes, Bob Quinn, and Jim Tracy.

Apologies: Jerry Spencer, Marla McCombie

Minutes: Minutes of the October 9, 2001, meeting were read and approved.

Treasurer's Report:

Treasurer Chris Daum reported that the association had \$2619.34 in its account. The treasurer's report was accepted.

New Business:

1. Treasurer Chris Daum suggested a pro-rated fee structure for members who join after Jan. 1. The matter was taken under advisement.

2. Dave Ryan, MREA president and manager of Montana Power Co.'s renewable energy projects under Universal Benefits Charge funds, gave the following "Year in retrospect":

High Points

- Solar Projects: 6 stock watering systems installed
- Now 57 Net metered Solar systems in MPC service territory
- Now 13 Net metered Wind systems (including some hybrid systems) in MPC service territory
- 65 KW wind turbine connected as QF (qualifying facility).
- Net metering for irrigation gets Public Service Commission attention
- 1 KW fuel cell installed in West Yellowstone with methanol as fuel at a cost of \$100,000
- 64 Electricians attended solar electric code seminars – code related continuing education credits offered
- Other Sage Mountain Center seminars, workshops, field trips and consultations exposed 543 other folks to renewable energy options, conservation, and sustainability.
- Montanagreenpower.com reported 77,124 hits in 2001

- Natural Resources Committee hosted by Hope and Bob Stevens of Helena
- Harvesting Clean Energy Conference Spokane, about 200 attendees
- Avian assessment protocol developed with state and federal agencies
- Intrastate transmission issues grappled with, but not yet wrestled to the ground
- Sustainability Fair in Livingston Aug. 24-25 had over 2500 attendees in the second year.
- Harvesting Clean Energy Conference October 9-11 in Great Falls about 80 attendees
- Interest in Wind and Biomass in State government
- Informed Madison County Commissioners re: Wind siting
- National Wind Coordinating Committee Wind Conference Oct. 3-4 in Big Sky
- High resolution wind map for Montana nearly complete (available as of January 9, 2002)

Low Points

- Blackfeet I wind project struggling
- High gas prices cause gas-fired distributed generation to flounder
- Legislature nearly torpedoed USB funding of renewable energy
- Demand charges reveal themselves as stumbling block for wind power for irrigation.

“In retrospect, it was a good year,” Ryan said. “My hope is that 2002 is better, and easier.”

3. John Walden of NCAT described the upcoming solicitation for participants in the small wind program. Systems must be installed in the Montana Power Company electric service area. Only wind machines 10 kilowatts and smaller will be eligible. The goal of the project is to install 80 kilowatts of wind electrical generation. An incentive of \$1.25 per watt of the manufacturer’s capacity rating will be paid to the owner. If an owner installs a 10-kilowatt system, for example, the incentive will be \$12,500, which will cover about a third of the total installed cost of the system. All of the wind systems must be utility-intertied. The owner may also choose to install batteries and controllers to provide an uninterrupted power supply.

4. Ray Schott of NCAT described the upcoming solicitation for participants in the residential photovoltaic (PV) solar electric demonstration project. As with the wind project, systems must be installed in the Montana Power Company electric service area. The goal of the project is to install 15 kilowatts of solar electric generation capacity. An incentive of \$4.50 per peak watt of the photovoltaic array's DC capacity rating will be

paid to the owner. If an owner installs a 1-kilowatt (DC) system, for example, the incentive will be \$4,500, which will cover about half of the installed cost of the system. The system size is limited to a maximum of 5 kilowatts (DC) in rated capacity. All of the solar electric systems must be utility-intertied. To be eligible, a homeowner must install a system that is rated at 5 kilowatts (DC) or less, meets NCAT's system specifications, and meets and passes local and state electrical and building codes. The homeowner must also sign a net meter agreement with MPC and allow NCAT to inspect the installed system. Funds for the project come from the Universal System Benefits Charge, or USBC - paid by all Montana Power Co. customers.

5. Logan Bryce of PineRidge Products explained what he understood to be a pending net metering policy for the Montana Electric Cooperatives Association. (Roy Nollkamper has since reported that MECA adopted a policy that limits name plate generating capacity to 10 kW and does not allow customers to bank KWh's beyond a monthly billing period. The entire policy, courtesy of Roy Nollkamper, is available as a PDF on the Montana Greenpower website [www.montanagreenpower.com]).

6. Georgia Brensdaal reported on draft rules for the alternative energy loan program established under Senate Bill 506. "We want your input," Brensdaal said, noting that the state Department of Environmental Quality would solicit opinions from MREA members on the proposed rules. (DEQ has since emailed copies of the pending rules for comment.) Brensdaal reported that DEQ has set the minimum loan amount at \$5,000. The maximum is \$10,000. She said DEQ is also developing a preliminary loan application. As of Jan. 10, DEQ had \$29,000 available for loans and expected to have at least \$140,000 available each year. She said the fund is expected to grow to \$250,000, including loan repayments, at the end of five years.

7. Georgia Brensdaal reported the State General Services Division had installed a photovoltaic power system atop the Boiler Plant Building just east of the State Capitol. The output from the array replaces distributed electricity to the Capitol Building and serves as "a highly visible example of the viability of today's renewable energy technologies and of both the state's and Montana Power Company's commitment to the development of renewable energy," according to the General Services Division. The system consists of two 1.2KW sub-arrays (2.4KW total capacity) each with its own grid-interactive inverter. The output from both of these inverters is connected to a Capitol electric service panel. The photovoltaic array is mounted on fixed hardware and includes a grid-interactive inverter that ties the array output to the electrical service for the Capitol Building. The system, on the southeast corner of the Boiler Plant Building, is highly visible to several other state agencies, as well as from Roberts Street. The building lies along the route of the Montana Historical Society Tour Train, which serves thousands of visitors each year, and the array will no doubt be featured in the tour. Designed and installed by Independent Power Systems, Inc., of Bozeman, Montana, the system faces south with a fixed tilt of approximately 45 degrees. Estimated annual output of the system is 3,679 KWh. It is expected to have a useful life of 20-plus years and should require little maintenance other than periodic cleaning of the array and tightening of electrical connections. The General Services Division will maintain the system and will log the power output on a monthly basis over a period of two years.

8. John Walden reported on progress by NorthWest SEED and partners to create a high-resolution map showing Montana's wind resources. (The map has since been published and can be viewed at:

<http://www.windpowermaps.org/windmaps/windmaps.asp#montana>)

9. Dave Ryan reported that MPC had selected Montana Wind Harness to provide 150 MW of wind power for the utility's portfolio. Ryan noted that the 1.75 cents/kWh production tax credit, which still hadn't been extended as of Jan. 10, was key to the success of the project.

10. The board voted unanimously to amend its bylaws changing the date of elections to the first meeting of the year.

11. The board elected Dan Healy to replace Chris Daum. Chris resigned as a board member, making room for Healy. Chris was re-elected as MREA treasurer. Also re-elected as officers for one-year terms were Dave Ryan, president; Jerry Spencer, vice president; and Jim Tracy, secretary. Re-elected as board members for one-year terms were: Tony Boniface; Chris Borton; Georgia Brensdal; Marla McCombie; Roy Nollkamper; Jerry Spencer; Mikey Strickland; and Lee Tavenner.

12. Chris Borton proposed that MREA sponsor a Renewable Energy Award, and proposed that Montana Power Company should be the first recipient for its development, solicitation and awarding of grants for renewable energy projects through the universal system benefits charge fund. Lee Tavenner said he opposed giving such an award to the utility for merely doing what the Legislature required it to do. Chris argued that such an award would have public relations value. Tavenner countered that the award should be based solely on "something you really believe in." The board agreed in the end to table the question and asked Chris to present a proposal in writing at the April meeting.

Old Business:

1. Dave Ryan reported that MREA was still awaiting word from the Internal Revenue Service regarding its application for tax exempt status as a 501 (c) 3 corporation.

2. Chris Borton suggested that MREA become a co-sponsor of the Sustainability Fair, organized by the Corporation for the Northern Rockies. CNR has requested deeper involvement by MREA. The fair is set for July 13, 2002, in Livingston. Borton said he planned to meet with CNR officials in February to define MREA's role. Members tentatively OK'd MREA's sponsorship of the fair pending further discussion at the next quarterly meeting in April. (Attached is a four-page paper that describes the fair sponsors' goals.)

3. Georgia Brensdal also reported that Montana DEQ supported the Olympic Cleaner and Greener Program, which worked to offset all the environmental emissions caused by energy use associated with Olympic Winter Games of 2001 in Salt Lake City. City governments, universities and school districts were encouraged to participate in the program. The Olympic Cleaner and Greener Program asked participants to donate some of the emission reductions delivered by their energy efficiency projects and renewable energy projects to help offset the emission of these Olympic Games. There was no cost

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to participate in the program. “The program helps organizations quantify and get recognized for the environmental emission reduction benefits of their energy efficiency projects,” Brensdaal said. She said the program also helps organizations learn about the potential future benefits they may receive for emission reduction trading programs when these develop.

The meeting adjourned at 3:45 p.m.

NEXT MREA MEETING: Wednesday, April 10, 2002, 1 to 4 p.m. at the Montana Department of Environmental Quality in Helena.

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