

MINUTES OF THE AUBURN MUNICIPAL POWER AGENCY
MONDAY, AUGUST 11, 2014
AT 4:00 PM

Members Present: Denny Zach, Chairperson, Nancy Hussey, John Montone, Mike Daley, and Peter Ruzicka

Members Absent: Mike Luksa, Krste Biljanoski, and Jim Wride

Staff Present: Bill Lupien and Doug Selby

Staff Absent: Anthony DeCaro

Chairperson Denny Zach called the meeting to order on Monday, August 11, 2014 at 4:00 pm.

Approval of meeting minutes. Denny shared some notes from last month's meeting due to the fact that the secretary was out on medical leave.

Public to be heard:

None

Hydroelectric Facilities:

Bill Lupien advised that the new pole is in and the transfer was to be done on Friday. Bill did not get an update on that as yet. There was to be some coordination with NYSEG and within the next two weeks the testing should be completed and advised that it has been tried out with no power and things ran smoothly. We are not going to be able to start it up until NYSEG certifies it and the electrical inspection is complete. Denny advised that he had had a discussion with NYSEG and he relayed the conversation to the Board. He also tried to contact Seemans because NYSEG tried to tell him that they didn't get approval on how it was going to be. Doug advised that it should be operational the end of August or early September. John Montone inquired if the Interconnect Agreement was in place. Doug Selby answered that it was as far as he knew. There was some discussion regarding Seemans involvement.

Doug Selby reported on North Division Street and advised that Vicky had provided him with a cost analysis and it looked like we could make \$20,000 a year net, that would cover the cost of pulling it and putting it back in one more time. Denny discussed the avoided cost. Doug advised that it was defined in the contract and he had asked them for an accounting at least two months ago. Denny didn't think it was exactly spelled out in the agreement. Doug said it talks about it but seems to talk about the difference between their cost and what they were paying us. There was discussion regarding the day ahead market and what the actual revenue would be.

There was discussion on the North Division repair. It was reported that Anthony DeCaro was working on this.

Nancy Hussey had a question regarding net metering and power to the Fire Department. Is this a possibility still? This was discussed.

Denny inquired if anyone had any information from Seemans whether or not they are going to remote net meter the excess power from Mill Street. John Montone advised that they were given a list of accounts with the highest usage or demand for the net metering. There was discussion on what these accounts were.

LFGTE Facility

Denny inquired if there were any updates to report. Doug advised that the perimeter piping is in and it seems to be working well for gas production. The skid has to be taken down on the 20th for a half day of maintenance so the Cogen will be shut down at that time. Doug has not seen the production reports but the numbers are 1.4 megawatts so it's up from what it was before we did the gas well work. Denny advised that they were running today at 1.8, 90% on both engines and 55% methane which is the best yet. Doug reported that they took the heat exchangers off and the last report from Zeloff was that that eliminated the overheating problem. Denny inquired if anyone had figured out why they were plugged or if there was a way to flush them. No one knew. Denny handed out a production report from last month that showed 804 megawatt hours. He reported that all four laterals are pumping very well. Denny also advised that they are going to try to put together a long-range plan and recommendations to staff to present to Council. This was discussed. Garbage production and sludge use were discussed. Doug advised that there were limitations on the mix. There had to be enough garbage to mix with the sludge. There was more discussion on this. Peter Ruzicka inquired what the current figures were regarding intake. Doug did not know but advised that the dispute with WeCare was settled so they are bringing garbage back to the landfill again. They signed a promissory note for the last \$9,000 but they were up to date now. This will help now that they are back at the landfill. Doug will provide Peter with the numbers. Nancy inquired if we took trash from any of the Towns' transfer stations. Bill Lupien advised on this. John Montone advised that they were probably selling it to Syracuse. Doug advised that trash generated in the City has to go to the City landfill but the Towns are not obligated to do so. This was discussed.

Denny commented on the spreadsheet he produced. Doug said he had hoped to meet with Denny beforehand for discussion but that had not proved possible. Denny advised that the printed spreadsheet is the original one regarding the New England Market and the power sales option on the next page is all hand written. This indicates usage of the power in the City and crediting the value of it. Doug made some comments regarding the figures and advised that some of them had changed. Denny agreed that the numbers could have changed due to the cool summer we have had. He asked if we had signed the contract with Energy Coop and Doug advised that it had been signed. Denny went on to discuss his spreadsheet and the different power values. Doug inquired if this was based on one megawatt of production and Denny confirmed. The contract with the company that is now running the Cogen plant was discussed. The contract runs for 15 months or a year-and-a half. Doug advised that they have no indefinite plans to run our system. They are more than willing to cross train and help us understand what we need to do. The question is whether we have the right people or enough of the right people to run the plant. Denny thought we could reduce the operating cost. John pointed out that the Casey Park line

was not figured in Denny's report. Denny and John discussed this. There was more discussion regarding demand charges. There was more discussion on this. Nancy questioned our participation in the New England Market. Doug advised that this has been the plan for a while, based upon the projected revenues. Doug advised that the spreadsheet was to be used as a tool and all of the numbers could be changed. Doug advised that first of all, we need to know if remote net metering is going to apply. He asked that if we remote net meter, can we still get green energy credits for sending the power just to ourselves? There was discussion on this. Delivery charges were discussed as well. Nancy asked if we were obligated to sell to the New England Market. Doug advised that we have a contract with IES to sell for us. We have gone through all the process to qualify and it's just a matter of being able to assure that we can provide at least a megawatt. Otherwise, we have to make up the deficit by buying it on the spot market. There was more discussion on this. Denny went on to discuss the IES report and thought that maybe the carbon market was worth looking at again. The volunteer market was discussed. Bill Lupien inquired if we had had the same problem in the past. He spoke of the issues and the stringent guidelines that needed to be followed.

Peter Ruzicka advised that on the IES report, the readings and numbers don't add up. This was discussed. Methane production was discussed as well. There was more discussion on the report. Denny discussed the possible sale of the waste heat.

Denny reported on an e-mail he received that NYSERDA was allowing, without penalty, mixing in natural gas up to a small percentage. He went on to explain the possibility.

There was more discussion on demand response and how the City could capitalize on it.

Denny advised that according to the City's website, Jim Wride and Mike Luksa are up for reappointment. There was discussion on this.

Doug inquired about a presentation to City Council. Denny wants to meet with Doug and go over the numbers and then meet with Council after that.

Motion to adjourn made by Peter Ruzicka, seconded by John Montone. Carried.