

MINUTES OF THE AUBURN MUNICIPAL POWER AGENCY  
MONDAY, APRIL 27, 2015  
AT 4:00 PM

Members Present: Denny Zach, Chairperson, John Montone, Mike Luksa, Fred Kerr, Nancy Hussey, Mike Quill and Peter Ruzicka

Members Absent: Krste Biljanoski and Mike Daley,

Staff Present: Bill Lupien, Vicky Murphy and Doug Selby

Staff Absent: Anthony DeCaro

Chairperson Denny Zach called the meeting to order on Monday, April 27, 2015 at 4:00 pm.

Denny advised the Board regarding the change of the Service Class at the Mill Street Dam. John Montone explained that SC6.2 was agreed upon for the Interconnection Agreement for remote net metering. This would put us at a higher rate of around nine cents the City would be collecting. He explained how this worked. The tariff was explained regarding the 5Kw load and how NYSEG handled the overage.

Denny advised that NYSEG has produced an offer on North Division Street and he outlined this agreement for the Board. Bonding was also discussed and the Board was advised that a first reading for the Bond Ordinance would be heard on Thursday. Mike Luksa asked how much it North Division Street cost us now and was advised that as long as we're not producing, we don't pay anything. There was discussion on this. Licensing was also discussed; whether the down-time affected the licensing. The cost of the repairs was discussed. The time frame for the upgrade was discussed as well.

Peter Ruzicka inquired about Blue Rock Energy. John Montone addressed the issue of the natural gas.

John Montone asked Vicky if she had spoken to the New York ISO regarding the point identifier. She advised that she had and she thought that it was moving forward. The communication link was discussed. The connection has to be made before they will give us the number. ARIA has been talking to them and this was the outcome of the talks. John was concerned because it basically takes three to six months to get established and we can't go into either the New York or New England markets without it. There aren't any figures regarding the price of the natural gas from Blue Rock yet. Denny advised that there would be a meeting in a couple of weeks and we will have all of the information by then.

Denny compiled a spreadsheet and distributed it to the Board regarding the energy costs and paybacks which was discussed. The cost of parts for the engines at the cogen plant was discussed by Doug. Denny advised that he had spoken to them and they are willing to meet again to discuss this. He will research the parts prior to meeting with them. John advised that

Greenfield had an agreement with someone regarding parts and \$131,000 is an awful lot of money for parts. This would be a major part. Denny asked what the \$240,000 included in the cost of payment for running the plant. Doug advised that it includes routine maintenance, item like oil, spark plugs, etc. It doesn't include the overhaul parts. The operational figures were discussed further. Denny asked if we were locked into the contract or could we get out of it if we decided to run the plant ourselves. Doug advised that the renewal would be for a one year period. Peter Ruzicka asked if we were committed to going to NYSEG or not. Doug confirmed that yes, we were committed. Denny's spreadsheet figures showed that it would be better for us to take the avoided cost after the production expense. Peter and Denny discussed this matter further. John also made mention of the Governor's meeting in the New England area. John discussed the New York ISO requirements as compared to the New England ISO. Peter asked if we could get out of the New England market if we were losing money and Doug advised that we weren't locked into it. The New England market blocks were discussed. Doug will do more research on this. It was decided that the figures on the spreadsheet would be constantly changing and are not fixed variables. Peter asked what the vehicle for management would be...who's watching? Doug advised that the Comptroller would be watching the figures and he would be responsible. This issue was discussed. Green energy also came under discussion. The setting of another pole was discussed. Bill Lupien spoke to this and John Montone provided insight. There was more discussion regarding Pole 9 and its ownership versus NYSEG metering customers on their own poles. Peter again asked who would be monitoring whether the New England market was profitable and when it would be time to switch. Doug spoke to this and advised that we would be doing this analysis ourselves. Peter asked how this was going to be determined. It was discussed that AMPA would have the role of monitoring this. This was discussed at length. The RTU issue was discussed. Doug advised that we got a credit for this previous expenditure.

Conducting a solar energy seminar was discussed. Doug advised that there was a presentation scheduled for Council on April 30 for Solarize Cayuga Initiative. This was discussed. Solar financing was discussed as well. Residential solar and authorized dealers was discussed. Mike Quill was anxious to get good information out to the general public on the availability of solar programs. It was suggested that people be directed to the NYSERDA website for information. Doug advised that different sites for solar are being looked into by Christina Selvek. Some sites were discussed that might lend themselves to solar. Again, it was thought that an informational seminar should be offered to the general public and the forum to do so was discussed.

Vertical-type windmills were introduced by John Montone. Discussion ensued.

Motion to adjourn by John Montone, seconded by Mike Quill. Carried.