

# Stratham Energy Commission

## Meeting Minutes

Date: November 06, 2013

Commission members present: John Dold, Michael Gorman, Matt O'Keefe, James Schlough, Michael Welty

Also present: David Duskocil, representing Nextera Energy

The regular monthly meeting of the Stratham Energy Commission was called to order at 7:04 pm.

Minutes of the October 9th and October 14th meetings were reviewed and approved.

Mike Welty introduced David Duskocil of Nextera Energy, a diversified energy services company that is interested in selling electrical power to the Town of Stratham. Mike noted that he is a channel partner with Nextera and would refrain from any voting the commission might take on a decision to use Nextera as a power supplier.

Mike also commented on the mailing many town residents received recently advertising North American Power as an option for town residents with an advertised rate of 7.59 cents per kWh. He said the mailing claimed that the default rate to Unitil customers was going to increase to 9.77 cents in December. That number is incorrect and the real rate will be 9.32 cents per kWh. These increases are primarily due to the change to open markets for electrical power in recent years.

David Duskocil explained that Nextera, formerly Florida Power and Light, sells electrical power, but the distribution of that power will still be provided by Unitil. Unitil, and other electrical power distributors, contract for power every six months and offer that rate to all customers by class. He further explained that every user has what is called a load factor which represents the unevenness of power consumption over a given time. Power suppliers must be prepared to meet that load factor and this requires additional expense. The best customer is the one with the lowest power factor, or most consistent consumption. Independent power producers seek out these customers and give them a lower power rate because it costs less to service them. With deregulation, every user can contract to buy his power from a range of providers.

David also explained that in New England 65-70% of electrical power is generated from natural gas, but the supply of natural gas in New England is limited by a shortage of pipeline transportation.

Because more Unitil customers with low load factors are buying power from other sources, Unitil is left with the need to buy power for a pool of customers with greater load factors. This includes most residential customers. By Public Utility Commission regulation, utilities can not make any profit on the power they sell, but only from the service they provide to distribute it.

David said he is in the process of acquiring the electrical usage data from Unitil for the town accounts and will be able to offer a fixed rate for a contracted period, preferably six months or more. Mike noted that town officials he has spoken with would expect to contract for twelve months.

John asked why we should choose Nextera and commented that in Massachusetts, where he works for a town, the energy purchase would have to be put out for bids. It was noted that Stratham has not been getting quotes for power up to this time because the default Unitil price has always been a very good rate.

The town currently uses about 360,000 kWh per year, so a one cent saving per kWh would be \$3600 saving a year.

Mike said that as a broker he can get any power supplier to quote. He has had very good experience with Nextera.

Dave is excused from the meeting.

In discussing how to proceed, it is decided to have Mike Gorman check out North American Power on his laptop while we move on to other business.

John said the commission's report to the selectmen is complete and signed and asked for approval to forward to the supervisors. This is unanimously approved.

John said we will be meeting with David Walker of Green Power Management in Newmarket at a future meeting. He has requested 3 years of utility data from Paul Deschaine.

The next item on the agenda was the blower door test to be performed at the historical society building. Matt O'Keefe contacted two local vendors but received no response. He noted that he is having a blower door test done on his residence later this month. While the test is available as part of a Unitil program, it is actually performed by a contractor. Matt will ask this contractor if he is available to do the test for us and will notify the commission members what he learns.

Mike Welty reported on the special meeting we had to survey the Stratham Memorial School. We had a thorough tour of the facility with Bob McAlpine, head custodian. The commission was very impressed with the completeness of Bob's knowledge of his facility and his cooperation with us. Mike said Bob will be supplying nameplate images from the roof-mounted HVAC units. Matt will be entering the electrical and fuel oil data in Portfolio Manager. Mike Gorman will contact Bob to get the propane usage data.

John Dold noted that the average annual energy costs (electric and fuel) for the SMS is \$150,000. Given the square footage of the facility at 82,000, the cost per square foot for energy use is \$1.83. In his experience working with Portfolio Manager for 6 years, this number is high. He anticipates a review when all of the SMS data is input into Portfolio Manager.

We returned to the subject of the electrical power purchase. Mike Gorman showed on the North American Power website the different options for buying power. Customers can opt for varying amounts of renewable energy mix in their power supply. The rate numbers shown were less than the unofficial estimate given by Dave Duskocil of Nextera Energy.

A motion was made to have Mike Welty work with Nextera to provide us with a price for 12 months electrical supply for the town buildings. The motion passed with four ayes and one abstention (Welty). Mike will also make make inquiries for North American Power and other power providers in our market.

Mike Gorman showed the spreadsheet he developed with the data of electrical power usage at the town garage. This shows usage over the course of three years and demonstrates a significant savings for the recent months since the upgrade of lighting fixtures at the facility.

John suggested that we plan to share our Portfolio Manager data on the SMS with SAU16 officials and other member town school boards to promote the idea of doing energy audits at the Co-operative Middle School and Exeter High School.

There was a brief discussion on next year's commission budget. Some ideas that would require expenditures would be energy savings kits available for use by town residents, an educational display in the town library, and a booth at the Stratham Fair next summer.

Under new business, Matt O'Keefe reported that at a recent energy conference he attended, he learned of efforts being made in different areas of the country where pooling of energy purchases for renewable energy are being instituted under various local government initiatives. This is often being done with the support of state governments that have made commitments to renewable energy. He said New Hampshire has passed legislation that will require any energy producer selling power in the state as of 2025 to have at least 25% of that power obtained from renewable sources.

Matt said he is currently involved in a masters degree program and would like to pursue this topic for his thesis and would like to share that with the commission. The commission members expressed strong interest.

Mike Welty wondered if we should try a seminar for residents about the developments in power sourcing. A five minute presentation at the town meeting was suggested. We agreed that we have an interest in providing energy education for the town but are uncertain how to proceed.

Matt said he would talk to the New Hampshire Office of Energy Planning about options they would suggest for educational programs for town residents.

The meeting adjourned at 9:00 pm. The next meeting of the commission will be at the town office on Wednesday, December 11th at 7 pm.