

Cuyahoga Falls City Council
Public Improvements Committee Meeting
March 3, 2003

Members: Mr. Walters, Chair
Mr. Bauer
Mrs. Pyke

Mr. Walters called the meeting to order at 6:23 p.m. All members of Committee were present.

Legislation Considered

Temp. Ord. No. B-35
Temp. Ord. No. B-36

Temp. Ord. No. B-35

Mr. Walters read B-35 (second reading). Mr. Bye stated there were two ordinances—one for the wind project and one for the cost share of base load project. Pat Frazier of AMP-Ohio gave a presentation. He stated this was an asset based green energy program. Green energy is renewable energy. They have executed a land lease with Wood County Commissioners for property adjacent to the Wood County landfill to build four wind turbines of 1.8/MW each to equal 7.2/MW capacity. They will be located in the City of Bowling Green. They have FAA approval and are ready to move forward. Installed costs are estimated at \$1,107/kW. He stated they estimated the annual load factor at 22% based on a wind study done in Bowling Green. This means you are only going to have wind 22% of the year. Mrs. Klinger asked about the REPI credit. Mrs. Carr stated that participating municipalities would receive the credit for whatever portion of the project is up and running by August 31. She stated that as more municipalities sign on, the City's overall capital cost would be reduced but their energy would remain the same. Mr. Frazier stated there are a few communities who are interested but have not given a commitment. Mr. Bye indicated that the cost is competitive to what the City is buying currently.

Mr. Walters stated his research indicated that the life expectancy of the turbines is around 15 years. Mrs. Carr stated this project was a result of a commitment that the City would seek alternative power sources. She stated Bowling Green has good wind capacity so they feel this project will go well. Mr. Walters asked how the 22% compared to other locations. Mr. Frazier stated he could not answer that. The 22% is not a measure of efficiency—it is just a measure of the amount of fuel available. Mr. Frazier did not know who performed the Bowling Green study. Mrs. Carr stated she would get more information on that. Mr.

Bentine of AMP-Ohio stated that Ohio is rated as moderate wind and Bowling Green is one of the best spots in Ohio.

Mrs. Klinger asked about the total cost to construct this project. Mr. Frazier stated it would be just under \$8 million. Mrs. Klinger asked if the debt would be taken out in AMP-Ohio's name. Mr. Bentine stated initially it would. Once the project is up and running, their intent would be to form a joint venture where the cities would take direct ownership. The financing could then be under AMP-Ohio or under the joint venture's name. Mrs. Klinger stated the City would basically be committing itself to \$4 million in debt and asked if that would show up as direct debt. Mr. Brodzinski stated it would depend on how it was structured. If the City assumes ownership, it would play against its debt. Mrs. Klinger asked if there were any such turbines in eastern Indiana. Mr. Frazier stated no. Mr. Bentine indicated there were some in Minnesota and the upper Midwest. He stated they know the performance based on the studies. They know how much the wind blows on average. Turbines are a known technology just not known in Ohio. Mrs. Klinger asked about maintenance. Mr. Bentine stated if there was a joint venture, it would be cheaper and better for the two cities to provide maintenance; however, AMP-Ohio would do it as long as they want it to. Mr. Schmidt stated he's read some articles regarding wind turbines being built on an island in Lake Erie and wondered if AMP-Ohio was familiar with that project. Mr. Bentine was not aware of that project. He stated that if you build on an island, you have the problem of getting the power across or under the lake. Bowling Green is already on a distribution system. Mr. Frazier stated there are also wind farms in Pennsylvania.

Mr. Walters asked if the study was done based on four large turbines or eight smaller ones. Mr. Frazier stated it was four large. Mr. Walters indicated that the larger turbines would be most efficient. He asked if they had any value after 15 years or would they just be scrap. Mr. Frazier stated he could not answer that question but would look it up.

Mrs. Hummel asked if all zoning issues have been addressed with regard to the location of the turbines. Mr. Bentine stated if permits have not been issued they have all been cleared with the County and FAA. Mrs. Hummel asked if the location was outside the incorporated limits of Bowling Green. Mr. Bentine stated it was in the land fill which he believed was outside the corporate limits. Mrs. Hummel asked since they have all approvals, did they anticipate any zoning problems. Mr. Bentine stated it was his understanding that everything was on board.

Mr. Potts asked why the turbines have no value after 15 years. Mr. Frazier stated he was not sure. Mrs. Carr is going to get more information to Council. Mr. Walters stated he did some research on www.windpower.org. He stated there was quite a bit of wear on the propeller. Mr. Flinn asked about life on other forms of power. Mr. Frazier stated coal fired steam would be 40-50 years and

hydro would be approximately 50 years or greater. Mr. Frazier stated this was a fairly low risk amount of energy at an attractive price. Mrs. Klinger asked about the Tag. Mr. Frazier stated they are currently in discussion for a contract of \$32. After that, it would probably be \$23 or \$24. Mr. Schmidt asked what percentage would this represent of our electrical need. Mr. Bye stated 3.6 MW. The peak is 107 MW. Mrs. Pyke asked if 3.6% would be our share 22% of the time. Mr. Bentine stated if you could get the wind to blow 24 hours a day, 7 days a week, 52 weeks a year, you will get wind 22% of the time over the year. If the wind blows more, the cost is lower; if it blows less, the cost is higher.

Mr. Potts stated that when the City did the Belleville Project, life expectancy was never discussed. He was troubled that it was an issue here. Mr. Bentine stated there are no records but they would rather give the worst case scenario. Mr. Walters stated the impeller gets a lot of damage because of the wind. All of the mechanical pieces wear out. Mrs. Carr stated they are getting an analysis on the life span.

Mr. Walters stated he would like to hold this. Mrs. Carr stated they had no problem with Council holding the legislation. They know this is a pioneering effort and they want Council to feel comfortable. This is the next step in alternative energy.

Committee recommended holding B-35.

Temp. Ord. No. B-36

Mr. Walters read B-36 (second reading). Mr. Bye stated this is looking at a development cost sharing agreement. They would like to do a study on what the future looks like for a base load generation owned by AMP-Ohio. They estimate 500 to 750 gW of power is needed in the next 20 years. The study would be with other communities to look into what is available to take care of future needs. Mr. Frazier stressed this was a long term research phase and did not involve construction. The development phase consists of three components. They sent an RFP in July of last year to engineering firms and got them back in August and evaluated them. If there was enough interest, they would move to the Implementation phase. The anticipated developmental phase cost is approximately \$2,624,000. If they move forward with a plant, the developmental cost would be repaid to the members and put into the plant. The City would be participating in the study and committing to a certain amount of capacity. Mr. Bye stated the cost would come out of the electric fund and would not be charged to customers.

Mr. Walters asked how they foresee what optimum fuels will be available in the future. Mr. Frazier stated they take historical data and trend it out. They look at gas, coal, bio mass, etc. Mr. Walters asked about EPA regulations on building a new plant. Mr. Frazier stated they are more strict but the new plant would meet or

exceed all EPA rules and regulations. Mr. Bentine stated they are getting a good response from other communities and he feels they will have no problem meeting the 500 MW. Mr. Walters asked if there would be brown-outs if we do not find another source. Mr. Frazier stated there are other sources available, it would just depend on how much you were willing to pay. Mrs. Klinger asked about developmental cost.

Mrs. Hummel wanted to make sure they were not anticipating a rate increase to cover the \$8,900 per month over the two years, since they are not passing this on to the customers. Mr. Bye stated they do not anticipate any increase. Tom Sullivan of Tallmadge Road asked if there would be any decrease or discount to the residents. Mr. Bye stated there would not be any, which is why they are keeping the residents out of the equation. Mr. Sullivan asked what made them choose Sargent Lundy. Mr. Frazier indicated they looked at six major firms and three smaller ones. They were evaluated on several issues. They narrowed it down to three, who were interviewed extensively to come up with their final recommendation.

Committee recommended bringing out A-36.

Public Improvements Committee adjourned at 8:05 p.m.