

**New Shoreham Town Council Meeting with
Electric Utility Task Group
Sunday, October 25, 2009
Town Hall, Old Town Road, Block Island
11:30 p.m.**

Present: First Warden Kimberley H. Gaffett, Second Warden Raymond J. Torrey, Town, Town Councilor Kenneth C. Lacoste. Absent was Richard P. Martin. Also present Electric Utility Task Group members Bill Penn, Mike Ballard, Barbara MacMullan, and Everett Shorey. Town Manager Nancy Dodge was also present and took the minutes of the meeting.

First Warden Gaffett called the meeting to order at 11:35.

The first item discussed was whether the original charge and the added charge to examine alternative generating options should be expanded to encompass the Implementing Action from the Comprehensive Plan, "Services and Facilities", SF 9 which reads:

"With the help of expert consultants as needed, undertake studies and adopt an updated Island energy plan as a future element of the Comp. Plan. Those studies should include analysis of all reasonable and available energy supply and conservation options. The resulting element should include appropriate future roles for energy conservation as a means of avoiding needless cost and demand on resources, the use of alternative energy sources including WECS, solar power, fuel cells, and others as well as possible extension of an electric cable to the mainland. In recognition of the public benefit to result, the fees to conduct such studies should be requested at Financial Town Meetings."

The task group members felt they had looked at most of these items listed as part of their original work and could provide the framework for the Planning Board to proceed. The task Group will update their report of January 9, 2008 at their next meeting and the Town Council will agenda an item to enlarge the charge to allow for joint meetings with the Planning Board and the task Group to work on developing an energy element for the Comp Plan.

There was discussion of the task group's role vis a vis the WECS proposal, particularly the transfer station proposal. The task group can provide both technical information and information on the economics of such a proposal and whether alternative sites should be reviewed for comparison as to airport restrictions, wind factors, fall radius etc. with the site the Planning Board put forth. The task group felt this work fell within their existing charge to examine alternative generating options which was added to the original charge.

The agenda item on the feasibility study for the WECS addressing environmental issues was discussed. The original RFP did not deal with anything but the technical and economic issues of a large scale WECS. It was felt that when and if the Town determines that it needs a feasibility study, the RFP should be rewritten so that environmental factors such as shadow, sound, bird

patterns etc. could be considered: what are the impacts and what, if any, mitigation factors are there to deal with the impacts? The consensus was that the RFP should ideally be in two stages, with the economic and technical completed first and only if stage one was favorable should stage two, the environmental concerns, be pursued. Whether this might take two separate bids because of the different skill sets involved was discussed but most felt any one bidder could provide the personnel to complete both stages.

One element asked about from the audience was the impact of the loss of revenue on the power company of any large WECS installation and mitigation factors that could be employed. That should be part of the technical and economic stage of any feasibility study, and be viewed with and without a mainland cable.

Peter Baute arrived at 12:15. Kim asked the task group about power company ownership and they still felt that a nonprofit co-op modeled after Pascoag is the best solution. Although Pascoag is a distribution company only, they felt this model is best for a generating and distribution company.

The task group felt that their current charge encompasses the issue of how power will be purchased under the Deepwater project and they will begin to look at this issues as it ties into deregulation and the possibility of the standard offer rate through Grid being the way for BIPCO to proceed. Cliff McInnes arrived at 12:30 and commented that BIPCO had moved to Intervene in the PUC docket 4111 and Kim reported that the Town had also moved to Intervene.

Discussion from the audience as to whether a “distribution list” can be created or whether the task group minutes can be put up on the Town website. That will be looked at and Kim suggested in the interim that anyone can call Bonnie Ryan and ask for the minutes to be sent.

Discussion also as to what conversations the Council is having with its experts and legal reps and when that discussion will be at a public meeting. It was reported that several conversations are in process but initially the town is looking at the pre hearing conference on Thursday, the 29th to set the focus going forward initially as the Power Purchase Agreement is between Deepwater and Grid and doesn't necessarily impact the allocation discussion and ultimate price for the island. Cliff McInnes indicated that the power company recognized a rate case involving a new rate structure would follow if this project continues forward, and the Town is having our experts frame the immediate and longer range issues for discussion at a later date.

The meeting adjourned at 1pm.

Minutes approved: November 2, 2009

Nancy O. Dodge