

Maine Clean Communities = MC²



***A Clean Cities Program Promoting Clean Fuel Vehicles, Energy Independence and Clean Air
Administered by the Greater Portland Council of Governments***

**Maine Clean Communities
Stakeholders/Steering Committee Meeting**

Wednesday, August 6, 2008

8:30 a.m. – 10:00 a.m.

**Greater Portland Council of Governments
68 Marginal Way, Portland, ME 04103**

Agenda

- I. Call to Order
- II. Welcome and Introductions
- III. Announcements
- IV. Legislative Update
- V. Funding Opportunities
- VI. Project Updates – Local and Statewide
- VII. The latest from U.S. DOE
- VIII. Other Business
- IX. Set Next Meeting Date
- X. Adjourn

Maine Clean Communities (MC²)
Stakeholders/Steering Committee Breakfast Meeting Minutes
Wednesday – June 4th, 2008 --- 8:30 a.m. – 10:30 a.m.
GPCOG Conference Room, 68 Marginal Way, Portland, Maine

Attendees: Lynne Cayting (DEP Mobile Sources); Theodore Corbett (Town of Scarborough); Devi Glick (Representative Tom Allen's office); Brian Hollowell (Cummins Northeast); Anne Holland (GPCOG); Nathan Howard (MaineDOT); Steve Linnell (GPCOG); Sue McIntyre (GPCOG); Chris McKenna (Poland Springs Co.); Jay Nason (Town of Scarborough); Dave Redlefsen (METRO); Kal Rogers (Maine Electric Vehicles).

Guest: Jennifer Puser, Maine Office of Energy Independence

1. Call to Order:

Steve Linnell called the meeting to order at 8:41 a.m.

2. Welcome and Introductions:

Steve welcomed those present and introductions were made.

3. Announcements:

- "Greening Your Fleet" – A Maine Clean Communities Event is scheduled for June 5, 2008 at the Hilton Garden Inn in Freeport. The room is already at capacity.
- A "Hydrogen Tour Across America" is scheduled for August 11th, 2008. It will begin in Portland. A map of the tour route was distributed. They have 29 stops going across country. Several different hydrogen vehicles will be participating and driving the route. Steve recently had an opportunity to take one of the vehicles out for a test drive. He said that it is very quiet and reached 60 mph in no time.
- A tentative Biodiesel Summit is scheduled for fall. The last one was held about four years ago. Steve noted that this might be a good time to get an update on how things are going.
- November 18th has been tentatively set for a Northern New England CNG Workshop at UNH in Durham, N.H. UNH utilizes natural gas and has a number of vehicles on the campus. They will try to schedule the event around the DownEaster's schedule. An optional field trip on waste to energy and methane projects will be offered on the following day, (November 19th) for touring.
- Dave Redlefsen said that he had conversed with the MTA in New York earlier in the day. The MTA has decided to purchase 850 CNG buses and have signed a contract with the Orion Industries. They are eventually looking at ordering 1,000 transit buses. The decision to make a commitment to CNG was primarily driven by the price of fuel. Natural gas is now about ½ the price of diesel. Dave felt it would have a big impact on the bus and transit industries and is good news for the manufacturing companies who produce natural gas buses. When asked if the bus industry was re-tooling, Dave replied that from a bus manufacturing standpoint, there are three companies that can produce the buses. He explained that a bus manufacturing company is considered in good shape if they are 15 to 24 months into work orders. The overriding factor is actually the engine manufacturing company which, at the moment, is primarily Cummins. Bus engine manufacturing has been abandoned by both Detroit and John Deere. This leaves only one manufacturer. There has been talk that Mercedes might begin bus engine manufacturing in the U.S. by 2012.
- For the first time in three years, the Department of Energy is going to issue an STP solicitation. The usual categories include incremental costs for alternative fuel vehicles and fueling infrastructure. Another possibility is education workshops with the focus being on renewables. Also included is a biofuels college/university program going from curriculum, to application and on to demonstration on campus. The estimated date for solicitation is September 1st. Proposals are due by November 1st and the award date is scheduled for May 1st, 2009. The allocation is for \$6 million for two years. \$3 million for 2009 and \$3 million for 2010. Anyone who might have a potential project can contact Steve. The coalition is especially focusing on infrastructure or incremental costs. Lynn Cayting asked if an application could be submitted for 2010. Steve replied that he had not seen the solicitation yet but will follow up.

- Lynn referenced the Diesel Emissions Reduction Act (DERA) that was passed by Congress as part of the Energy Act of 2005. This year, the allocations total \$49.2 million. Congress has requested that 30% go directly to each State. Every State will get approximately \$200,000. Maine is considering a proposal to develop a low interest loan program that would primarily focus on the purchase of bunk heaters for the trucking industry. These bunk heaters/auxiliary powered units (APUs) can power heating units as well as air conditioners in trucks without the use of the vehicle's diesel engine. The units cost about \$1,500 and can run 20 hours on just one gallon of fuel. It is a great cost effective measure and it reduces diesel emissions. The DERA application is a two-year program.

Lynn also spoke of two other competitions. One is a national competition for merging technologies but that solicitation has not come out yet. The other is a regional competition where Region 1 is looking at retrofitting off-road equipment. This application is for \$750,000 and includes stiff competition. It is hoped that Maine can get some of this funding.

- The FTA has come out with their Clean Fuels Grant proposal for alternative fuel vehicles for bus fleets. Metro has submitted their application. Bipartisan support will be important and it is hoped that our congressional delegation can make it a concerning topic in DC. Metro currently has thirteen new CNG buses but still has ten 1990 Flexible Flyers that are old and need to be "retired".

4. Legislative Update

Steve welcomed and introduced Jennifer Puser from the Maine Office of Energy Independence.

Jennifer began by referencing a brochure published by the Governor's Office of Energy Independence and Security. Maine had an office of energy, years ago, but it was abolished for a few years. Governor Baldacci, via Executive Order established this new energy office. The task of this new office is to advise the governor, research energy issues, and create a "State Energy Plan". A website and report is in the works. The State Energy Plan is due to be in the Legislature by January 15, 2009.

A Legislative update was provided:

LD 2019 "An Act to Implement the Recommendations of the Governor's Task Force on Passenger Rail Funding" was signed into law on April 23, 2008 by the Governor. This bill will allow funding for the DownEaster beginning in July of 2009. However, there is a remaining issue with operating funds for the DownEaster which will be put into the next budget.

LD 2056 "An Act to Conserve Gasoline and Preserve Clean Air" was signed into law on April 9, 2008 by the Governor. There was an amendment to this bill. One of the changes pertains to a list of exemptions for all commercial motor vehicles with regards to idling when temperatures are below 0 degrees. The amendment was passed. Bills that go into law typically become effective 90 days after being signed.

LD 2283 "An Act to Implement Recommendations of the Governor's Task Force on Wind Power Development". This bill focuses on the permitting process. The Maine Land Use Regulation Commission (LURC) and other agencies are currently revamping their guidelines in regards to wind energy related development. This will create an opportunity for big wind developers. The bill also establishes a wind power rebate program for residential homeowners and would be administered by Efficiency Maine. People would be eligible for projects built after January 2009. It is still in the developmental stage.

LD 1942 "An Act to Provide a Rebate for Clean Energy Geothermal Heating Units". This bill originally began with a tax credit but turned into a statewide loan program for both residential and commercial property owners. Commercial property owners will be eligible for funding for a geothermal unit under the small business revolving loan program in Maine while residential property owners will be eligible for low interest energy loans under the Maine State Housing Program. This bill was signed in March of 2008.

LD 2149 "An Act to Lower Energy Costs and Increase Renewable Energy in Maine". This bill focuses on the goal to encourage renewable energy and conservation. It was signed on April 7, 2008. The first section pertains to net metering. This turned into a study bill and required the PUC to review and make recommendations to our laws and rules for net metering. For instance, in Maine if you have a solar project, etc., and are generating more electricity than you are using, it accumulates on a monthly basis but at the end of 12 months you lose those credits. They are now reviewing this by looking at what other states are doing and will report back to the Public Utilities Commission in January. The second section deals with the interconnections standard. There currently is

no standard established for connecting your wind power or solar energy to the grid. Each utility company can have its own rules which can be a barrier to people. So the PUC will look at what we have and there is a docket open right now where all utilities and interested parties have commented on what they now have for their interconnection standards. The docket 2008-186 is on the PUC website. The last day to comment to the PUC is in the middle of June. They are hoping that there will be standards interconnection guidelines and rules to make it easier for property owners to do this. A report will be issued in January. In reference to times and use rates, they will additionally be reporting back to the PUC sometime in March of 2009 to help establish a time of use rate system for residential and commercial customers. The consumer would know when it is “off-peak” hours and “on-peak” hours. Subsequently, one could make a decision to use a dryer, for instance, during the “off-peak” hours to get a lower price for electricity. A comment was made that Germany now allows “solar farming” and residents are paid to produce power.

In reference to the high cost of transportation fuel, the Governor has issued an Executive Order to establish a Pre-energy Task Force. One aspect would include looking at the transportation piece while the other pertains to home heating oil. The transportation committee has been expanded to include two new subcommittees. Steve Linnell is chairing one of the subcommittees whose focus is how to move people and goods through the state more efficiently. Recommendations will be given to the Governor in August. The task force will be convening with the Governor on Wednesday of next week. Among some of the major investments that are being proposed is a wind power project by CMP in northern Maine. They are trying to get that funded through the Independent System Operator.

In summary, Jennifer noted that we will most likely see more energy bills brought forth in the next session. Many representatives are hearing from their constituents on these topics.

Chris McKenna, a representative of Poland Springs Company, asked about any incentive programs for fleets converting to biodiesel. Jennifer replied that there currently are none in the State of Maine but other states are requiring certain percentages. There was a tax credit in Maine for a year but it was not very successful. Lynn pointed out that it did not spur any public biodiesel pumps while Chris noted that it also was not going to the end users. Jennifer added that any bills with funding attached to it last year did not last long because of the budget situation.

Steve referred to *LD 531 “An Act to Improve the Method of Taxing Natural Gas for Highway Use”*. This was the tax equalization bill for road fuels that was already in place but was improved upon to include biodiesel, hydrogen, hydrogen mixed with natural gas, and liquid natural gas. This bill changes the way gaseous fuels are taxed to the gasoline gallon equivalent (gge) in the case of CNG and hydrogen, and dge for LNG.

On behalf of the group, Steve thanked Jennifer for coming in to speak to us.

5. Funding Opportunities

This topic was discussed in prior agenda items.

6. Project Updates – Local and Statewide

There are a couple of bus companies currently looking at hybrids. Steve made reference to a handout entitled “AZURE Dynamics”, which is a company that is a world leader in the development and production of hybrid electronics, electrical components as well as power-train systems for commercial vehicles. AZURE is currently interested in doing something with hybrid vehicles and is now focusing on commercial delivery vehicles and shuttle buses. But, will it fit the duty cycle? Another consideration for hybrids is the seasonal load that can reduce efficiency due to the use of air conditioning.

Steve spoke of a couple of applications where hybrids are being considered. One is in Bath/Brunswick and the other is the Coastal Explorer. They recently had a presentation and test drive of the ASURE Dynamics gasoline-powered series hybrid. Earlier in the spring they had a presentation on another hybrid option. There is not a lot of information out there about the performance of these vehicles, especially the cutaway. One option is to become a test site. Because of the funding match for alternative fuel vehicles, these operators could get a great deal on a hybrid but it is unclear as to whether the overall performance will justify the full cost. They might work really well in the summer season when traffic is heavy and going is slow with a lot of stops. But the rest of the year they may be put into service where the average speeds are higher and with fewer stops.

Jay Nason from the Town of Scarborough provided an update on the towns' propane-powered vehicles. Scarborough has been talking with the town of Cape Elizabeth with regards to the use of their fuel site. Cape Elizabeth is interested in converting some of their town vehicles to propane. The biggest challenge is getting the certification for certain vehicles. The easiest vehicles to convert are the police cars. Scarborough could do the conversion work for Cape Elizabeth. Steve will follow up on SEP funding. SEP funding would qualify for infrastructure but Steve is not sure if it includes conversions. However, they might qualify for other federal monies.

Chris McKenna announced that Poland Springs has access to another fuel site in Wilton, Maine. They are currently using soy based ethanol but are concerned about the cost. They have cut idling among their truck fleet by 45%. This is in the neighborhood of about 3000 gallons of fuel. They also have tracking systems on their trucks to monitor any idling and are looking at a few other things as well, including aero dynamics to increase reductions. Chris noted that Poland Springs has an environmental manager.

7. Renewable Fuels Discussion

A discussion began about food for fuel and the policy to promote renewable fuels. It was noted that 30% of the corn crop has been going to fuel and that farmers who used to grow wheat are now growing corn. Discussions continued on global food shortage, the fuels mandate and cellulosic ethanol.

Lynn pointed out that it is the fuels mandate that requires Irving to bring ethanol to Maine. The Maine DEP has requested to waive the fuels mandate.

With respect to cellulosic ethanol it was noted that the University of Maine has received a \$30 million grant to build a cellulosic fuel facility but we're not there yet. Kal added that it is now becoming 80% to 90% of our food budget.

8. Other Business

Kal Rogers of Maine Electric Vehicles invited the group to test drive an electric vehicle on Friday, June 6th. All are welcomed to attend.

9. Set Next meeting Date

The next meeting is scheduled for Wednesday, August 6, 2008 at 8:30 a.m. in the GPCOG Conference Room.

10. Adjourn

The meeting adjourned at 10:00 a.m.