

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, October 1, 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 – August 6, 2008 --- 8:30 a.m. – 10:30 a.m.
GPCOG Conference Room, 68 Marginal Way, Portland, Maine

Attendees: Ann D. Burt (Maine Partners for Cool Communities); Lynne Cayting (DEP Mobile Sources); Theodore Corbett (Town of Scarborough); Brian Hallowell (Cummins Northeast); Anne Holland (GPCOG); Nathan Howard (MaineDOT); Carol Hurley (Congressman Tom Allen’s Office); Steve Linnell (GPCOG); Sue McIntyre (GPCOG); Chris McKenna (Poland Springs Co.); Jay Nason (Town of Scarborough); Dave Redlefsen (METRO).

1. Call to Order:

Steve Linnell called the meeting to order at 8:32 a.m.

2. Welcome and Introductions:

Steve welcomed those present and introductions were made.

3. Announcements:

- A hydrogen vehicle event is scheduled to take place this coming Sunday at Fort Williams in Cape Elizabeth from 2:00 to 5:00 p.m. At least ten hydrogen vehicles are scheduled to take part. Because there is no hydrogen fueling infrastructure here, the vehicles will be transported to Cape Elizabeth on a truck. A kick-off event for the cross-country tour will be held Monday morning beginning a 9:00 a.m at Fort Allen Park in Portland. Cars will roll out at 10:00 a.m. and head south. BMW will be bringing two cars and their own mobile unit for fueling purposes. Congressman Tom Allen is scheduled to attend as well. The group is also waiting to hear from Maine’s U.S. Senators as well as the mayor. Speakers will talk for about 20-30 minutes. Everyone is invited to come and attend one of the events. Many people are expected to attend.
- A Natural Gas Vehicle workshop is scheduled to take place in Durham, N.H. on November 18th. Planning for the event has begun and a location and several rooms have been reserved. It is intended that people will come from all over New England. The event has been scheduled to accommodate the use of Amtrak for those coming from Maine. This will be an all day event and the cost for admission is \$45.00 which includes a full day of information and some really good food. The group’s goal is to get 100 people there from New England. They have focused their invitations on certain types of fleets. It is not known who the speakers will be yet but they will have people attending who represent various entities such as maintenance, fueling, etc. as well as folks from the industry who can talk about cost, incentives, and more. The event is being hosted by MC², GSCC, CVE and UNH Durham. Check the Maine Clean Communities website for more information and to register.
- On November 14th, GPCOG will be sponsoring another Sustainability Forum, this time focusing on the economy. More information coming soon.
- Another event entitled “Alt Wheels” is scheduled to take place on September 26th, 2008 in Massachusetts. Steve has heard that this is a good event and that there will be many types of alternative fueled vehicles on hand. It is usually a festive atmosphere.

4. Legislative Update:

Steve spoke of the Governor’s Pre-Emergency Energy Task Force of which he was the Chair of the Passenger Transportation Sub-Committee. The report is large but was winnowed down to a small summary of things that can be done right away. He noted that within the passenger transportation section there were recommendations for alternative fuels. Oftentimes, however, it is the recommendations that are the easiest ones to achieve, the cheapest and the quickest to do, that will most likely be done first. A question was asked as to whether buses traveling up to the mid-coast were part of any of the recommendations. Steve replied that the report only mentioned more buses but he was not sure if there were any specifics. He added that it is difficult to figure out where to get monies to establish new services. The MaineDOT has said that they will be looking at more buses.

5. Funding Opportunities

Steve spoke of natural gas vehicles in relation to the T. Boone Pickens' plan. Mr. Pickens wants to displace natural gas power generation with windmills. He also wants to put natural gas into vehicles. This is especially advantageous for those who operate natural gas fueling facilities such as Mr. Pickens. Steve added that the idea does have merit and that we should be using natural gas for vehicles instead of electricity. At one point Mr. Pickens was talking of nuclear power as well. His plan has raised the level of consciousness about wind power and natural gas vehicles. Mr. Pickens has testified in a Senate Committee on this topic and because of the Pickens Plan there is a Natural Gas Act that was introduced in Congress promoting natural gas vehicles. The bill proposes that 10% of vehicles sold in the U.S. by 2018 be natural gas vehicles. It encourages natural gas fuel pumps at gas stations and includes incentives. It is fairly comprehensive. There are \$2.6 billion of bonds included to provide no interest loans to gas stations to install natural gas pumps. It additionally increases the credits for putting in home fueling stations for natural gas. They are increasing the incremental price on tax credit for all classes of NGV vehicles and are trying to get the OEMs back into producing all-weight classes of vehicles. Steve commented that there is no one panacea but Maine's niche seems to favor more natural gas than ethanol at the moment.

6. Project Updates – Local and Statewide

Dave Redlefsen said that the **METRO** is waiting to hear about a \$28.6 million alternative fuel's grant that is coming in from the Federal Transit Administration. METRO's total grant request was for \$5.9 million including an inflation factor for a 2010 delivery of 13 buses. METRO is among the few fleets that did not abandon compressed natural gas and has made a commitment with the infrastructure as well. The receipt of this funding would provide the opportunity for all METRO buses to become 100% fueled by natural gas. This would make their bus fleet second in the country to be 100% fueled by natural gas next to the MTA Long Island buses in New York being the first to do so. METRO has received great bi-partisan support for this funding. Congressman Tom Allen recently held a conference at the Portland Library and provided an update on the current energy crisis and what will be happening with Maine's winter season. Dave added that the price of natural gas has decreased at the moment and METRO is considering locking into a price from now thru the calendar year. One determining factor on the price is the hurricane season. Metro may decide to lock on a price as early as today.

Steve spoke of shale-related natural gas and its extraction methods. Dave added that it is a heat liquefied extraction method and that Shell has taken up 48 acres in northwest Colorado for a research development area. It seems like a positive way of removing natural gas as opposed to a straight drill. It is becoming more economically viable to do so.

Dave asked the group if anyone had heard about a proposed rate increase that was brought forth to the PUC by Northern Utilities. Steve said he thought he saw something like 17% in the news but when he had spoken with the public advocate it looked like they were basically looking for an adjustment. But the advocate thought that it was supposed to be somewhere in the 3 to 4% range. Dave commented that many people are actually converting from oil to gas and are also installing Rinnai heaters in their homes.

Brian Hallowell provided an update on Cummins Northeast and their propane engines. Steve said he had received emails pertaining to propane engines from Cummings because Acadia will need to replace some buses in 2010. Brian said that Cummings is considering converting their 5.9 liter propane engines with the 6.7 liter engines because the 5.9s cannot meet emission standards. However, the 5.9 engines are the only ones built to use propane. Steve felt it would be of benefit to Acadia if they could increase to the 6.7 engines because of the terrain that the Acadia buses must travel.

It was questioned as to whether any propane engines would be offered by Cummins Northeast beyond 2010. Brian explained that the availability of the 5.9 engine block is an issue but not the 6.7 engine block. Subsequently, they are working on converting the 6.7. He spoke of their diesel engines and said that they currently have five in their automotive department. The ISL G engine is the 8.9 liter engine and it is based on the diesel engine. It currently meets the U.S.A. EPA and CARB 2010 emissions standards. It was noted that Portland school buses will be using Cummins engines and are applying for two buses next year and two more for the following year.

Andy Burt asked what would happen to the Island Explorer buses when it is no longer feasible for Acadia to use them. A question about their lifespan was also asked. Dave explained that the issue with natural gas buses is the tanks. They are certified for a certain number of years and the cost to repair them is usually prohibitive. So, it is

easier to retire them. With regards to its lifespan, Steve thought that the buses were certified for ten years while the tanks were certified for twelve. Andy spoke of a possible option for the Acadia buses, which would be to try to use the retired Acadia buses for Freeport to help eliminate some of the congestion. She thought that LL Bean was promoting that. However, Steve pointed out that the buses are used from May to October and some of the buses are not winterized. Nate wondered if Cummins is being questioned for meeting emission standards in 2010 and whether there would be an alternative for the Explorer buses. Steve replied that an alternative may be the 8.2 GM. There may be other options out there but whether they supply the buses that Acadia prefers is a different story. The buses would have to be low mileage vehicles.

Metro's goal is to have 26 buses running on compressed natural gas. Dave sees a potential for acquiring replacement vehicles through the MBTA in Boston as well as Rhode Island. Both Boston and Rhode Island have abandoned using CNG buses and are now using hybrids. Their decision is not because of the buses themselves but because of not being able to maintain the CNG filling stations. They both took that position about 18 months ago. Dave has not seen a change in their position and feels that they may still be pursuing hybrids. This may provide another avenue for Metro to consider and to take over some of their buses.

Scarborough –

Ted Corbet and Jay Nason agreed that their propane fueled test vehicles are working out well. Propane costs less and so far, it has been a positive experience. The police department was initially a little apprehensive about the new test vehicles but they have since been using the vehicle more often. The vehicles are dual-fueled vehicles and start on gasoline and then go to propane.

Scarborough has also been using the B-20 fuel blend. The biodiesel is a few pennies higher than regular diesel but is more efficient on certain vehicles. It is also less expensive to run especially on heavy equipment vehicles such as off-road loaders, etc., and is much more efficient.

Andy Burt provided a quick update on the Maine Partners for Cool Communities noting that they have been working with the Maine Energy Investment Corporation. They are currently working on a newsletter and invited the group to send in to her any news or information about items such as a new fueling station for alternative fuels, etc. This is a collaboration with the Maine State Energy Office. They are hoping to keep their website and newsletter as well as the "market watch" section up-to-date, as to what is happening in the energy industry.

7. The latest from U.S. DOE

Steve had recently had an opportunity to meet with Mike Scarpino from the U.S. Department of Energy here at COG and reviewed a DOE slide show. Steve has adapted the slide presentation for today's meeting and has included updates as well.

Among highlights noted in the slide:

- There are 87 Clean Cities coalitions and ½ million AFVs. Clean cities technologies first start with alternative fuels, then blends, idle reduction, hybrids, etc. Focus areas have included accelerated biofuel initiatives and technology deployment demonstrations.
- The current 2008 funding budget has just over \$12 million. Legislative work on the 2009 funding budget has fluctuated. The Administration began at \$10 million and then it was increased to \$25 million in the House. The Senate has not done anything specific. The House had an additional \$25 million for promoting biofuel.
- Categories in the solicitations include infrastructure, incremental costs, education and outreach workshops, as well as a biofuels program. They are due to come out in October '08 or early November '08. The proposal date is late January 2009. All projects will get two years of funding. Much more information is available on the following websites: <http://www1.eere.energy.gov/cleancities/> and <http://www.eere.energy.gov/afdc> as well as with Energy Efficiency and Renewable Energy at <http://www.eere.energy.gov/>
- Federal laws and incentives for alternative fuels were noted. Most of these tax incentives have been in effect for a while. AFV refueling property credits include both for retail as well as private sites. The alternative fuel tax credit was enacted as part of the SAFETEA-LU. These credits affect LPG, LNG, CNG and hydrogen.
- The Energy Independence & Security Act of 2007 – EISA –was mostly about biofuels
- Other items noted included: Obstacles to alternative fuel options such as cost, potential payoffs and "food for fuel;" Truth and myths regarding food for fuel; direct energy costs; and, Food vs. fuel: corn products for human consumption.
- In '07/'08, out of the 86 million corn acres harvested, 21 million acres were used to produce approximately 6.5 billion gallons of ethanol.
- EISA 2007 renewable fuel standards were reviewed.

Other items in the slide show included the comparison of water usage for grain that is going into making ethanol with the refining process and how global impacts are increasing food prices.

Steve said that what he has always found difficult in the food for ethanol arena is that there is significant information both pros and cons about it and that it is incredibly difficult to sift through it and know what to rely on. Lynn added it has been seen where ethanol has been clean-burning and then not so clean-burning. It is a problem for boaters and you can't have it in aviation. There are limitations with ethanol. In addition, there is the ozone issue as well. In some places it is more extensive than others. We are getting 10% ethanol here in Maine right now. We will be getting it in the winter months but there are no environmental benefits. It was noted that we have seen signs at the gas pumps that say "10% ethanol" is included in the gasoline. Lynn explained that Maine is not mandating that ethanol be blended in our State. But, if the fuel suppliers are bringing you gasoline blended with ethanol, the gasoline retailers have no choice. Steve also pointed out that part of the reasons they are bringing the ethanol here is to fulfill the national mandate. It seems, however, that they could use it in other places and still satisfy the mandate. The cost of transporting ethanol can also be expensive. Lynn said that Irving is our largest supplier here in Maine and they have to do much preparation to get the tanks ready. When they were looking at doing this last fall they said "no". The smaller companies were not interested in the expense for the changeover either. Lynn said she is not sure as to what will happen in the fall. They are going to keep changing back and forth depending on how expensive it is.

8. Other Business

Red Shield who was supposed to be working on a pilot grant with the University of Maine with regards to the production of cellulosic ethanol is in receivership. They are going through Chapter 11 and FAME is helping them. It is hoped that this is just a "blip" and that once this has been resolved things will get back "on track" with the pilot grant.

9. Set Next Meeting Date

The next Maine Clean Communities meeting is scheduled for October 1st, 2008 at 8:30 a.m.

10. Adjourn

The meeting adjourned at 10:12 a.m.