

*Common Council Actions*

**COMMON COUNCIL** **ACTION**  
**SPECIAL MEETING OF THE COMMON COUNCIL**  
**JANUARY 16, 2004**

**NORWALK, CONNECTICUT**

**COMMON COUNCIL CHAMBERS**

**ALL COMMON COUNCIL ACTIONS TAKEN AT THIS MEETING TO APPROVE EXPENDITURES AND CONTRACTS OR TO ACCEPT BIDS AND OTHER PROPOSALS REQUIRING THE EXPENDITURE OF CITY FUNDS**

**ARE SUBJECT TO THE AVAILABILITY OF FUNDS.**

A Special Meeting of the Common Council of the City of Norwalk was held on Friday, January 16, 2004 in the Common Council Chambers, City Hall, 125 East Avenue, Norwalk, Connecticut. Mayor Alex A. Knopp called the meeting to order at 3:10 p.m. Everyone present recited the Pledge of Allegiance, followed by a moment of silence in memory of Mrs. Bain's mother.

**I. ROLL CALL**

Betsy Bain	Bruce Kimmel (absent)
Kenneth Baker (absent)	Richard McQuaid (absent)
Fred Bondi (absent)	Matthew Miklave (absent)
Michael Coffey (absent)	Jeanette Olmstead-Sawyer (absent)
Carvin Hilliard	Kevin Poruban
Douglas Hempstead (absent)	Douglas Sutton
William Krummel	Leona Williams (absent)
	Peter Wien (absent)

There were five (5) members present.

II. **ACCEPTANCE OF THE CALL OF THE MEETING**

Pam Stark, City Clerk, read the Call of the Meeting, which was accepted.

III. **PRESENTATION ON NORWALK PARTICIPATION IN RESPONSE TO INDEPENDENT SYSTEM OPERATOR-NEW ENGLAND RFP ON THE DEMAND RESPONSE PROGRAM BY REPRESENTATIVE OF PINPOINT POWER AND THE CONNECTICUT MUNICIPAL ENERGY ELECTRICAL COOPERATIVE AND THE THIRD TAXING DISTRICT**

Noting that there was not a quorum present, the Mayor stated that this was purely an informational meeting. There will be a special meeting on January 20<sup>th</sup> to take action. The independent system operator for New England has put out an RFP to bridge the gap within the next four to five years for the current situation and the time when high voltage lines are installed in Connecticut. ISO New England has put out a proposal for generation and load shedding to reduce the demand on an overstressed system by shutting down large users during a blackout. They are willing to pay on a kilowatt hour basis annual for load shedding and conservation. The City has been approached by two entities to see if the City would be interested in joining them by offering load shedding during peak time and receiving compensation for doing so. ISO New England did not publish its proposed contract until December 30<sup>th</sup>, and information has been coming in on a fragmented basis. Today's meeting is an opportunity for the Council members and the public to hear from the two entities. The City's choice is to participate with either one or the other, or with neither. The deadline is Wednesday, February 4<sup>th</sup>. The Council is functioning as a Committee of the Whole.

Mayor Knopp thanked Mr. Sgobbo, Mr. Greene, Mr. Lo, Mr. Schmidt and Mr. Alvord for their hard work.

Mayor Knopp said one of the principal causes for the budget difficulties has been a decline in revenues, especially from State sources. This proposal has the potential of bring the City between \$250,000 and \$450,000 of new non-property tax revenue over the next four to five years.

Mr. Schmidt reviewed his memo, pointing out that this would only be Monday through Friday from 7 a.m. to 6 p.m. during emergency situations. The two proposals are financially viable. There will be further evaluation of the generators, how much of the load can be shed, etc. There will be a cost of approximately \$10,000 for additional switch care, which will be more than offset by the revenue.

Mayor Knopp said if they participate in the program, the City is paid whether there is or is not a brown-out.

Mayor Knopp introduced the following:

Ryan Forshaw – CMEEC

David Brown – Third Taxing District Commission Chairman

George Leary – Third Taxing District General Manager

Harold Alvord – Director of Public Works

Mike Sgobbo – Building Management

Alan Lo – Redevelopment Agency

Franco Chieffalo – First Taxing District General Manager

Mike Elliot – First Taxing District

Tom Atkins – PinPoint President

Mr. Krummel said this is the first he had seen any information on this; he was concerned that this was the only meeting for questions and answers. Mayor Knopp said that they could have done this all on Tuesday but they chose to hold today's meeting. Mr. Krummel said his questions are going to require exploration. They are talking about load shedding and emergency capacity. They have generation, on an emergency basis, available. He asked if they would be compensated on a monthly basis. Mr. Schmidt said this is only in an emergency situation. No power from the generator would be leaving the site.

Mr. Krummel said there is also the ability to shed load internally. There are two things involved – emergency generation capacity and ability to remove non-essential load at any time. Mr. Schmidt said the determining factor is the amount of load being shed, not the amount generated. The City would only be compensated by the amount of load it sheds. Mayor Knopp said that the City had the option of doing generation as well, but he did not feel there was enough time. They are only focusing on load shedding, not generation.

Mr. Krummel asked if the proposal to ISO is to shed a certain amount of power. Mayor Knopp said that the two entities are making presentations today. They will aggregate several municipalities.

Mr. Krummel said in the past, emergency generating capacity took place if and when the system failed, but what they are talking about here is different. He was concerned about how they would identify the non-essential load. Mayor Knopp said they are limiting this to four entities.

Mrs. Bain asked if City Hall goes off-line when given notice. Mr. Schmidt said that the City may want to spend \$10,000 for another switch so that the entire City Hall does not go off-line.

Mr. Atkins introduced Ken Roberts, Vice President of PinPoint Power, who made a presentation.

Mr. Poruban asked if they would take responsibility for re-permitting the engines; Mr. Roberts responded affirmatively. Mr. Poruban said that the DEP issues alerts during the summer for ozone and he asked if DEP would waive those alerts. Mr. Roberts said they are. The State is amending its regulations. Mr. Poruban asked how the City would be notified to shed the load. Mr. Roberts said that the program is e-mail bases. There are a number of ways to contact people.

Mr. Poruban asked if the City would incur any additional penalties for not having the generation available. Mr. Roberts said there would be no penalty. ISO is looking for penalties which DEP will not accept. ISO is looking for a security deposit. The first two monthly payments to the City would sit in a security account, earning interest.

Mr. Poruban asked if the 15 cents per kilowatt hour was a maintenance fee. Mr. Roberts said that this money is in case City Hall has to run the generators. It is to cover fuel and maintenance, but if it does not cover the costs, he is to be notified. Mr. Poruban said that, at the Wastewater Treatment Plant, fuel costs would double. Mr. Roberts said if that is the case, they will move the number to where it should be.

Mr. Poruban asked if they could aggregate small-sized engines into the program. Mr. Roberts said they cannot, but they will work with the City on this. Mayor Knopp said that the police station and Brien McMahon will have significantly-sized generators.

Mrs. Bain asked if the arrangement allows for potentially adding on later. Mr. Roberts said they could make those proposals now for sites to be added on later.

Mr. Krummel said they would be more vulnerable to being asked to drop load. They have to be aware that they will be liable for more load interruptions. Mr. Roberts said that was true. There are strict rules by which ISO must live by. Mr. Krummel asked what would happen when they are asked to shed load at City Hall. He said he would be against any attempt to cable two systems going in this building. Mr. Lo noted that there are two separate circuits throughout the building, which Mr. Krummel said is dangerous.

Mayor Knopp said they needed to hear the second proposal. Mr. Krummel said he was trying to get a basic understanding of the proposal. Because of the lack of time they were being given, these questions are going to come up.

Mr. Sgobbo said that the entire building is not supported by the generators, which handle emergency lighting, elevators, freight elevators, circuitry and the IT area, etc. All of the circuitry for emergency power is in one panel.

Mr. Krummel asked if the \$100 per year kw load was the total load in City Hall or the load that comes off from the generator. Mr. Roberts said they would do it based on the summer rating and that would be the basis of the payment. Mr. Krummel asked which load they will drop when they are asking to. Mr. Roberts said they would monitor what is on the meter. They need to make their best estimate of the total reductions now.

Regarding updates and installation of equipment, Mr. Poruban asked if there was any money to assist with these. Mr. Roberts said they can't discuss that but they generally fund it through payments. He would be willing to discuss this further.

At this point, the representatives from PinPoint left the room.

Mr. Forshaw made a presentation on behalf of CMEEC. He said if a generator in City Hall fails to start, the Third District picks up the cost of the penalty. Mayor Knopp noted that there is no contract between the City and ISO as to what they are going to bid to the State.

Mr. Leary said this proposal is flexible. They would be glad to talk about any variations. In 2002, they were very successful with this program. If they can put in a bid, they will put it in for the maximum kws and then study what the actual load is. There is good data available from Nexgen. They would then pay the City \$9 per kw plus the energy payment. Any questions, he should be called on his cell phone (943-9461).

Mrs. Bain asked if the Third Taxing District would suffer a loss if the treatment plant generators kick in. Mr. Leary said they will lose revenue when these generators run.

Mrs. Bain asked how to determine who makes the most competitive bid. Mr. Leary said that the best chance is with whatever company bids the lowest. He said they would be embarrassed if the City gives them this contract and they are too high.

Mr. Krummel asked if there was an initiative for Norwalk to participate. Mr. Forshaw said location was the first criteria.

Mr. Poruban asked what the load of 1400 involved. Mr. Leary said 1300 was the wastewater treatment plant and 100 was the Public Works garage. Mr. Poruban asked if there was any funding available for upgrades. Mr. Leary said if changes were made to Public Works, they could get a higher number. Mayor Knopp

suggested that suggestion be recommunicated. Mr. Leary said that for \$30,000 at the Public Works garage, they could get four times the capacity.

Mayor Knopp said there is a 15 cent per kw hour for operating costs for emergency generators. He asked if that would be available to the City. Mr. Forshaw said that ISO is providing 50 cents and the City would receive that full amount.

Mr. Krummel asked if Norwalk is the only preferred town that will be bidding; Mr. Forshaw responded affirmatively. There are no other towns that are members of CMEEC that are listed as preferred cities. Mr. Schmidt clarified that CMEEC does all of the legwork and absorbs all of the costs for permits.

Mayor Knopp said their revenue will not be based on a number in an agreement; it will be based on the actual load that the city sheds when it is forced to do so.

Mr. Krummel said there are two stiff penalties if they don't do this right. Mr. Poruban said that the penalty is imposed by ISO, so it would be the same no matter who they go with. He asked if they would allow them to combine additional sites to increase their revenue. Mr. Forshaw said that two years ago, ISO was flexible regarding sites. They were able to link another site in on the original bid.

Mr. Brown said if they bid 500 kw, there will never be a penalty. If they bid it at 1400-1500, they will make a lot of money, but it is a risk.

Mr. Poruban said this is a decision between a chocolate ice-cream cone and a chocolate ice cream cone with sprinkles.

IV. **EXECUTIVE SESSION TO DISCUSS PROPRIETARY INFORMATION PROPOSALS SUBMITTED BY THE REPRESENTATIVES OF PINPOINT AND CMEEC**

There was no executive session.

V. **ADJOURNMENT**

\*\* **MR. PORUBAN MOVED TO ADJOURN.**

\*\* **MOTION PASSED UNANIMOUSLY.**

The meeting was adjourned at 5:30 p.m.