



City of New Haven
Office of Management and Budget
Justin M. Elicker, Mayor
Michael Gormany, City Budget Director and Acting Controller

Meeting Minutes Friday, July 15, 2022 of Energy
Committee Via Zoom

Committee Members Present

1. Michael Gormany, Acting Controller
2. Salvatore Decola, Aldermanic Representative
3. Steven Winter, Aldermanic Representative
4. Giovanni Zinn, City Engineer
5. Michael Fumiatti, Purchasing Agent

Other Attendees

1. N/A

Meeting Minutes

- Call to order of the meeting by Michael Gormany at 2:07PM
- Gormany begins discussion on agenda items #1, 3, and 4. The items will not be discussed due to an unforeseen emergency by SourceOne representative Brant Davis. The items will be discussed and voted on (if stated on the agenda) at the next meeting
- Gormany begins discussion on item #2, City of New Haven Fuel Cell and turns the discussion over to Giovanni Zinn
- Zinn begins the presentation on the City of New Haven Fuel Cell (attached PDF)
 - Zinn had a meeting with the company that owns the current fuel cell here that serves the government Center complex earlier this week.
 - Zinn initially thought the City was going to tell them that the City was not interested but it's an attractive proposal here.
 - The current fuel cell is, at the end of its life we're also at the end of our initial term of 10 years.
 - VFS is going to bring in another fuel cell system that is refurbished, one that a newer model and has good stack life left and works well.
 - Reluctant to do a ten-year agreement
 - Comparing the cost of a new fuel cell would be significantly higher than the \$20,000-\$25,000 per month
 - Also, we [the City] are trying to decarbonize our city buildings and in the meantime, this does present a good opportunity to for co-generation I think it's a lower carbon source, rather than sort of what the alternatives would be.
 - Fairly attractive financial performance, of course, you must predict what's going to happen with energy prices in the future. and specifically the interaction between natural gas prices and electricity, the Northeast is increasingly tied to natural gas



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prices for its electricity prices, so you know I think it's a fairly safe contract in the sense that we're tied in some of our financial business side of the natural gas price versus what we would be paying if we were just buying electricity, and that is, you know those to track each other very closely now in the northeast.

- The way that this deal would work is that we would extend the deal, through the December of 26 timeframe, which is what the board of all this is authorized this committee to purchase electricity and energy services.
- The assumptions that they're making on our electricity prices 19 cents a kilowatt hour, which I think is conservative number and also 6.2 dollars a therm
- The Fuel Cell has saved money in the past and the City has received renewable energy certificates of about \$80,000
- the cost is still robust at \$39 a megawatt hour renewable energy credit is what they.
- The vendors projections are reasonable, and the City would save around \$250,000 a year
- I think it makes sense financially it's in a fairly good shape it's within the purview of this committee and doesn't lock us in so far out that it starts to interfere with our longer-term goals on energy to transition away from fossil fuels, but really represents kind of a lower carbon bridge here for us so with that if anyone has any questions, I would be happy to answer
- With that any questions
- Gormany ask for any questions from committee members starting with Alder Decola
- Alder Decola
 - No, I read it, we have a savings and that's a good day.
- Gormany refers to Alder Winter for questions
- Alder Winter, How does, how does the gas price compared to current gas prices and the gas prices that we think are you know, maybe coming.
- Zinn, I think the gas prices is a current one i'm., predicting gas prices in the future is difficult, as you will know. However, gas prices and electricity prices track very closely and, in the northeast, so that. If we didn't do this and we were just buying electricity that prices well would track gas prices relatively close.
- Gormany, mentioned Source One is a good resource for discussion on Gas prices and prediction of the market
- Giovanni Zinn and Alder Winter continued discussion on Market Rates
- Alder Winter asked the question on what the breakeven point if the City were to spend \$25,000 on something else, i.e., Solar
- Zinn and Alder Winter continued discussions on Solar panels and any alternative options to the fuel cell plus cost.
- Zinn and Alder Winter continued discussions on cost of solar panels, gas prices, and electricity cost.
- Gormany asked if Mr. Fumiatti had any questions



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- Fumiatti none
- Gormany began the motion needing approval
 - Based on the energy committee purview, committee approval is requested to enter into the multiyear agreement [extension as mentioned by Giovanni Zinn] for the mayor to enter into a multiyear agreement for the fuel cell as outlined, based on the presentation specifications, and for the Mayor to execute all documents and amendments related to the fuel cell
- Alder Decola moved the motion
- Fumiatti Seconded
- Unanimous approval 5-0
- Motion for Adjournment
- Fumiatti Moved
- Alder Decola Seconded
- Unanimous 5-0 Approval
- Committee also thanks Michael Fumiatti for his years of service with the City and a happy retirement

Minutes Approved and certified via email:

Michael Gormany 07/18/22

Agenda

Action Items requiring a vote

1. Hedging recommendations for winter 2022/2023
 - a. Presenter: SourceOne
 - b. Action: Committee to vote on authorization for buying power for the 2022 upcoming winter
2. City of New Haven Fuel Cell
 - a. Presenter: Giovanni Zinn
 - b. Action: For the City of New Haven to execute a multi-year agreement, as authorized via the energy committee ordinance, with VFS, to replace the existing fuel cell, and provide updated infrastructure and energy.

Information Items

3. Market update and budget guidance
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a. Presenter: SourceOne

4. Renewable Energy Credits and carbon goals