

**BOARD OF ALDERMEN  
ORDINANCE COMMITTEE MEETING and  
PUBLIC HEARING  
MARCH 4, 2019**

The Ordinance Committee of the Board of Aldermen held a meeting and public hearing on Monday, March 4, 2019. Chairman Smith called the meeting to order at 7:09 p.m.

MEMBERS PRESENT

F. Smith Chairman  
A. Giannattasio  
E. Beatty  
R. Vitali  
A. Sutton

ALSO PRESENT

J. Berchem, City Attorney  
J. Rosen, Mayor's Assistant

Chairman Smith stated the Committee was here tonight to consider one (1) ordinance. He stated the meeting was being held in accordance with the legal notice posted in the New Haven Register on February 27, 2019. Chairman Smith stated the ordinance before the Committee is for the purchase of energy through Bloom Energy. He stated after publication of the agenda the City Attorney's Office requested minor amendments to the ordinance. Chairman Smith read the original ordinance.

1. An ordinance authorizing the city to enter into an energy services agreement for the purchase of electricity.

Speakers in Favor - None  
Speakers Opposed – None

Ald. Giannattasio and Ald. Sutton made and seconded a motion to forward to the full Board of Aldermen with a favorable recommendation an ordinance authorizing the city to enter into an energy services agreement for the purchase of electricity.

Chairman Smith asked Chris Saley, Public Works Director, to provide highlights of the economic advantage and savings the City expected to realize from the energy services agreement. Mr. Saley provide a handout that he reviewed with the Committee. He provided a brief description of the units to be installed at Beaverbrook treatment facility. Mr. Saley stated that the agreement provides for the purchase of energy for the next 20 years at a set price. He stated the reason this is before the Committee is the contract does not have a non-appropriation clause. Mr. Saley stated expected annual savings are approximately \$164,000 and 3.2 million over the term of the agreement. He stated there are no upfront capital expenses and this provides the City with resiliency. Mr. Saley commented the City will realize a savings through LREC credits. Mr. Saley discussed the expected costs and potential savings to the City.

Chairman Smith stated representatives from Bloom Energy are present and he asked that they stay and provide a brief presentation to the full board. Chairman Smith asked if a non-appropriation clause is standard to let the City opt out if the Board of Aldermen or other board does not provide

funding. Jonathan Berchem, City Attorney, stated that is correct the energy services agreement does not contain a non-appropriation clause. He further stated the reason this is here as an ordinance is he felt it was important for the Board of Aldermen to approve and understand the agreement. Attorney Berchem explained this is a 20 year commitment to purchase energy. He stated they asked Bloom for a non-appropriation clause, but they would not agree to add it to the contract.

Ald. Vitali state 20 years is a long time. He asked what will ensure the City gives the most for its money. Mr. Saley stated the termination fees decrease each year of the agreement and the City will be well positioned because the cost savings. Ald. Vitali asked if there was a scheduled showing the decreases. Mr. Saley stated this would be presented at the full board.

Ald. Giannattasio if there is a penalty should the City not meet the net guaranteed usage. Mr. Saley stated the likelihood of that happening is very small. He feels very comfortable with meeting the required usage. Ald. Giannattasio asked if an attempt had been made to negotiate a non-appropriation clause with Bloom Energy's counsel. Attorney Berchem stated they had and Bloom could not include such a clause.

Ald. Vitali asked if the units need to be moved who will absorb the cost. Mr. Saley state the units will not be moved. Attorney Berchem commented that the virtual net metering can be moved annually.

Ald. Beatty stated the model speaks for itself. She asked if this is a convention to protect the City. Attorney Berchem stated this is a 20 year commitment and that contracts for more than one year require legislative approval.

Chairman Smith asked for a motion to amend the ordinance as suggested by the City Attorney.

Ald. Beatty and Ald. Giannattasio made and seconded a motion to amend the original motion to insert in the 4<sup>th</sup> sentence the word "owned" following fuel cells systems to be, to insert the word "of" in the 6<sup>th</sup> sentence following acceptance of purchase, and to insert in the 3<sup>rd</sup> sentence of section 2 "including any associated natural gas service agreements" following Agreement and the System. Motion carried unanimously.

Chairman Smith asked for a vote on the original motion as amended.

Motion carried unanimously.

Being no further business, Ald. Sutton and Ald. Giannattasio made and seconded a motion to adjourn. Motion carried unanimously.

The Committee adjourned at 7:34 p.m.

Respectfully submitted,

  
Toni Jo Weeks  
Recording Secretary