

**CITY OF SCOTTSDALE
ENERGY ADVISORY COMMITTEE
ENVIRONMENTAL QUALITY ADVISORY BOARD**



**WEDNESDAY, JUNE 4, 2008
CIVIC CENTER LIBRARY - GOLD ROOM
3839 N. DRINKWATER BLVD.
SCOTTSDALE, ARIZONA**

SUMMARIZED MEETING MINUTES

- PRESENT:** Jim Mulloy, Chairman
Brian O'Donnell, Committee Member
Richard Stegeman, Committee Member
Keith Thompson, Committee Member
- ABSENT:** Jimmy Leung, Vice-Chair
Bill Sheaffer, Committee Member
Dave Walker, Committee Member
- STAFF:** Chuck Skidmore, Energy Management Engineer
Vic Valliere, Planning and Development Services
Joey Miller, Planning Department Intern
- OTHERS:** David Berry, Western Resource Advocates
Dave McDonald

Call to Order

Chair Mulloy called the meeting to order at 7:40 a.m. A roll call confirmed members present as stated above, noting the presence of a quorum.

Public Comment

No comments were made.

- 1) Approval of Minutes

COMMITTEE MEMBER O'DONNELL MOVED TO APPROVE THE MINUTES OF THE APRIL 16, 2008 MEETING. COMMITTEE MEMBER THOMPSON SECONDED. THE MOTION CARRIED UNANIMOUSLY BY A VOTE OF FOUR (4) TO ZERO (0).

- 2) Staff update on the Office of Environmental Initiatives.

Mr. Valliere reported that by adopting the budget on June 3, City Council has officially approved the Office of Environmental Initiatives. Current City employees have filled three positions. Recruitment is occurring for the positions of Energy Management Coordinator, Planning Specialist, and Director. Currently, the OEI is working on the dust ordinance and the City's bottled water program.

Chair Mulloy expressed appreciation that the City followed through on the OEI implementation so quickly.

3) Presentation by David Berry of Western Resource Advocates on "A Clean Energy Strategy for Arizona"

Mr. Berry said Western Resource Advocates is a non-profit environmental organization that focuses on the interior of the western United States. Much of the group's work in Arizona centers on energy issues through the Corporation Commission. One of the WRA's projects has been to identify clean energy resources that could be used to serve energy demand throughout the west. It focuses on utility and regulatory decision making, and advocates that renewable energy be part of the conventional utility portfolio.

He presented the WRA's study "A Clean Energy Strategy for Arizona," which covers the period from 2007 to 2025. The report is focused on addressing growth in electricity demand. It responds to the environmental impacts of generating electricity with conventional resources, and to the uncertain costs of continued fossil fuel use.

The study has three major conclusions.

- The growth in the demand for electricity can be met reliably with a portfolio consisting largely of energy efficiency savings, and renewable energy.
- A clean energy strategy has more stable and certain costs than conventional coal and gas-fired power resources.
- Serving the growth in demand with clean energy resources would result in minimal increases in carbon dioxide emissions.

Arizona is a rapidly growing state. Historically, the growth in demand for electricity has doubled every 20 years. In general, energy efficiency is the least expensive resource, being much cheaper than generation. Most renewable energy burns no fuel, emits no carbon dioxide, and the long-term price is stable. Conventional utilities are a major source of carbon dioxide emissions. Fossil fuel prices are very uncertain and cannot be reliably projected. The cost of complying with carbon dioxide emission regulations is hard to firmly establish. Carbon capture and storage technology for coal-fired plants is not commercially available today.

In response to Board Member O'Donnell, Mr. Berry said the document does not address nuclear power because of the long lead-time required to build a plant and get it operating. Resources such as increased energy efficiency, geothermal, wind, concentrated solar power, and gas-fired plants can be brought into place relatively quickly. Nuclear power may be a part of the solution to replace the existing base load

generation, but the study demonstrates that new coal or nuclear plants are not necessary to serve the growth in demand through 2025.

Chair Mulloy inquired how the energy efficiency savings number was arrived at. Mr. Berry responded that it was based on the Western Governors Association analysis of the potential for energy efficiency in the western states.

Under the clean energy strategy, carbon emissions would continue to increase but nowhere near as rapidly as it would without the plan. In order to reduce carbon emissions from current levels, existing plants need to be addressed as well.

The report recommends increasing energy efficiency programs, removing financial obstacles to large-scale utility efficiency programs, increasing the renewable energy standard, and investing in transmission infrastructure to bring renewable energy to load centers. The report also recommends supporting the commercialization of emerging technologies such as the concentrated solar power plant being built by APS.

Chair Mulloy said if HB2766 passes, it would help remove obstacles that have prevented the efficiency industry from investing in Arizona. Mr. Berry agreed, saying the WRA has been working to increase consumer interest in energy efficiency programs, and supports the removal of regulatory and financial obstacles.

Board Member Thompson said that as long as a sizeable number of people continue to believe that global climate change is not the result of human activity, it would be difficult to pass meaningful legislation.

Chair Mulloy invited public commentary.

Dave McDonald noted several risks that the presentation did not address. Water depletion is a factor of concern in the development of energy resources, as is the toxic stream from the manufacture of solar panels, and nuclear power. Some companies are considering satellite control of the power grid, but these could be vulnerable to attack. Energy needs to be insulated from financial speculation if it is to avoid another Enron debacle.

Mr. Berry responded that the WRA has looked at the water depletion issue in a separate report.

Mr. McDonald encouraged the City to look into establishing plug-in locations for electric vehicles at apartment buildings and public lots. Chair Mulloy said it would be valuable to learn how other cities are implementing such programs.

4) General Announcements by attendees

Mr. Skidmore said the EAC should discuss the types of government policies that municipalities, in general, should support. He noted one segment of the WRA report, "To advance energy efficiency, Arizona regulators should consider decoupling kilowatt hours from the revenues needed to cover the fixed costs." Mr. Skidmore felt cities have an interest in supporting policies like that.

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The Commission discussed the summer meeting schedule, agreeing to take July off, and reconvene in August.

Adjournment

With no further business to discuss, the meeting adjourned at 8:55 a.m.

Respectfully submitted,

A/V-Tronics, Inc.