



City of Columbia, Missouri

Meeting Minutes

City Council

Monday, July 17, 2017
5:00 PM

Work Session

Conference Room
1A/1B
Columbia City Hall
701 E. Broadway

I. CALL TO ORDER

Mayor Treece called the meeting to order at approximately 5:06 pm. Council Member Ruffin arrived at approximately 5:09 pm.

Present: 7 - Ruffin, Trapp, Thomas, Peters, Treece, Skala, and Pitzer

Follow up discussion on Renewable Energy Report: presentation by members of the Water and Light Advisory Board, Environment and Energy Commission, and staff.

Attachments: [Water & Light and EEC Presentation](#)
[Staff presentation](#)

Jay Hasheider, stated that this is a discussion on the renewable energy report and they will focus on the 3% rule noting that there is some concern about where the future is going. He reviewed the impact on rates in local dollars per MWH using the current calculation method. He noted two problems: 1) net metered energy is counted as a cost to the utility even though the energy is free and; 2) the utility arrives at a rate impact for all wind and solar energy by comparing their value to market energy. This will result in reaching the 3% maximum limit sooner. He explained that net metering is when people put photovoltaic (PV) on their roof. The sun shines on that system and creates electricity that feeds the loads in the house through a circuit panel. If there is still more energy available that is not used, it goes on to the utility system as "received" energy. At night, that system reverses and delivers energy from the utility. At the end of the month the delivered and received energies are read and a net energy is billed for. If the received is larger than the delivered amount, then the utility gives them a credit. This exceeds what the state law requires. He reviewed the calculating rate impact of net metered solar power. The rate impact equates to 3.847 cents per KWH. This calculation is formulated using total production the average retail energy price, market value energy price, and capacity value.

He added that there is no rationale to use total production for cost calculation when only a fraction goes to the utility. The first thing we should do is not use the total production for cost calculation and only the received energy should be used in calculations. He was also unsure of where the average retail energy price derives from. It is unclear if that takes into account that most energy delivered to solar homes is at night which should be less than the average cost. Something of a more proper ratio would be 5 cents/KWH. He added that there are other values to use besides market and capacity values. The Missouri Energy Initiative did a white paper on this years ago noting that the energy value should be given a 1.24 credit. He suggested that number be used instead. Lastly, there are economic impacts as net metered customers have invested more than \$3,000,000 in our economy, sales taxes are paid for panels, and interest paid by borrowers. Mayor

Treece asked if there is an incentive for Water & Light to calculate this way. Mr. Hasheider stated that it would be to do the right thing and to help prepare us for future changes that may come down the pipeline and not to be reliant on coal.

Dick Parker reviewed the 3% rule which states that without increasing electric rates more than 3% higher than the electric rates that would otherwise be attributable to the cost. He stated that wind was over half of the renewable energy last year, and landfill gas was just less than that. Solar makes a small percentage of energy. The renewable energy ordinance was passed in 2004 with 78% voter approval. The MISO Energy Market was created three years later. He reviewed rates for various markets noting that MISO is so inexpensive because there is no capacity cost because others pay for capacity. He briefly reviewed historic generator categories like base load, intermediate load, and peak load. Intermittent sources (wind and solar) do not fit into the historic categories but are the major sources of renewable energy. The current accounting system will also make it very difficult for Columbia to reach its energy goals.

Tad Johnsen, City Utility Director, stated that the public hearing for the renewable energy report did have concern on methodology, which is what he plans to focus on tonight. He reviewed the ordinance on renewable energy. He agreed that the ordinance was not created to consider all the methods used today. He reviewed the value, costs and impacts for various resources. Jim Windsor, Assistant Director of Utilities, explained that his area focuses on rate analysis, structure, energy efficiency programs, and more. His intent is not to promote one way over another, but to use the best rates for the system and users. He reviewed residential cost recovery, conservation rates for residential customers and briefly overviewed net-metering. He provided a customer example of the renewable energy impact explaining the billing for metered usage of 1,250 kWh and metered solar of 194 kWh. The customer was billed for 1,056 kWh and the remaining 194 kWh is "netted".

A representative of Missouri Solar Industries stated that it would be great for City Council to look at completing a "value of solar" study. More people are going to solar and more batteries are coming online. This conversation will continue to come up yearly and a study would be a proactive approach to looking at a study. A collaborative study could be done with St. Louis and Kansas City as a statewide analysis. A study would show the benefit to the utility as well. In the future, we may expect more micro-grids in neighborhoods developments, etc. There are some communities in Colorado that are removing themselves from municipality utilities and creating their own energy farms.

Follow up discussion on Parking and Traffic Management Task Force Report: presentation by staff, PTMTF members, and co-chairs.

Attachments: [Presentation](#)

[Council Memo from February 6, 2017 Council Meeting](#)

[PTMTF Final Report and Recommendations](#)

[CID Letter in Support of Recommendations](#)

Leah Christian, Transportation Planner, explained that they will skip staff presentation due to time constraints. She introduced Deb Sheals, Downtown CID representative on the Parking and Traffic Management Task Force. Ms. Sheals reviewed some of the recommendations for City Council, some of which have been adopted with the new Unified Development Code. The number one recommendation is to have a permanent body for Parking and Transportation Management who would assess parking supply and demand downtown and in surrounding areas, develop a financial pro forma for the cost to operate and maintain parking infrastructure and systems including parking permit

programs and transportation demand management strategies. Kathy Lee, stated that the transportation demand management sub-committee felt that a task of the permanent group would be to bring all stakeholders to table for discussion. All aspects of transportation should be considered for future growth. John Clark, neighborhood subcommittee representative, stated that a permanent task force should create a process for fair, equitable, desired and effective residential parking permit programs in neighborhoods near downtown and the university. The primary program funding for making this happen should not come from the neighborhood. The commission should develop a comprehensive regulatory enforcement program for downtown and surrounding areas. They also recommended that the task force consider a program that would allow a developer to pay a fee to the City in lieu of meeting minimum parking requirements. Much more discussion would need to take place should that be considered. Before this discussion, there should be an intense study on how to reduce parking demand. Ms. Lee added that there needs to be a vision for transportation and the commission should be tasked with evaluating best practices related to parking and transportation. The commission should also explore regional transit options for commuters to Jeff City, St. Louis, etc. Greg Cecil, stated that the commission should consider moving parking garage metered spaces to the ground floor. They should also consider exploring new meter bag options for long term use and other reservations. Some locations could also be considered with house of worship valet options for Sunday services. The University of Missouri is changing their parking systems right now to try to reduce the number of cars on campus. There could be collaboration with them on future needs like consistent signage, etc. Ms. Sheals added that enforcement is key to this issue. It should be certain, but friendly.

Mike Trapp and Karl Skala, co-chairs of this task force, agreed that a permanent task force is needed in addition to a consultant to look further into these issues with a permanent body. The payment in lieu is a concept worth looking further into. They thanked the group for their work.

II. ALL OTHER ITEMS THE COUNCIL MAY WISH TO DISCUSS

None.

III. ADJOURNMENT

The meeting adjourned at approximately 7:00 pm.