

As voted by the Board of Trustees and in accordance with the notice of the meeting, the monthly Workshop Meeting of the Board of Trustees of the Portland Water District was held remotely on Monday, December 12, 2022. In attendance from staff were S. Garrison, C. Crovo, D. Kane, J. Wallace, D. Katsiaficas, M. Demers and C. Cote.

All Trustees were present.

President Douglas convened the workshop at 6:36 p.m.

1. \$8M Watershed Grant/Sebago Clean Water Update

Paul Hunt, Environmental Services Manager, provided an update to the Board of Trustees on the \$8 Million RCPP federal grant received by PWD and the related Sebago Clean Waters activities.

Mr. Hunt began his presentation with background information. In 1991, PWD received a waiver of filtration requirements. This is worth more than \$150,000,000 to PWD—the cost of installing a filtration system. Under the permit, PWD must show it has control of human activity around the watershed by owning land, or by having written agreements with land owners. As of the year 2000, PWD protected/owned 1% of the 235,000 acres of land in its watershed. Other land was protected by other land owners, leading to 10% of the watershed land protected. Most of the land in the watershed (84%) is forested. That is why the water quality of the lake is so high.

As forests are removed, water quality declines. If the forested land goes below 76%, water quality would significantly decline in Sebago Lake.

Sebago Clean Waters—made up of 10 organizations - is working to conserve forests to keep Sebago Lake clean and help PWD maintain its filtration waiver. In September, 2020, PWD received an 8 million dollar federal grant to be used in conservation efforts. Mr. Hunt noted that the largest part of the grant - 60% - is to be used to purchase conservation easements. Some of the funding (22%) pays for staff for Sebago Clean Waters and partners to pay for their conservation efforts. A match must be provided for the funding; in this case a 1 to 1 match is required. Partners' contributions for this conservation match amount to \$9.8 Million Dollars. PWD has pledged \$2.1 million dollars for this effort. Partners include multiple land trusts.

Since the year 2000, 14,000 acres have been conserved, with an estimated value of \$14 Million Dollars. The watershed is now 16% conserved. The goal is to reach 25% within the next 10 years.

In 2023, there will be more conservation land purchases brought to the Board for approval. Aquatic Organism Passage projects will be undertaken—replacing old, smaller culverts with larger ones to allow for fish passage. Forest management plans will be created for landowners and their land (land stewardship). Outreach to landowners will continue.

A revision and streamlining of the land conservation policy will be brought to the Board. PWD will also be pursuing legislative changes to 35-A Section 6113 that would allow the water fund to be used by PWD to fund acquisition of conservation land and interests by

entities such as land trusts, and allow the funding of a right of enforcement of a conservation easement by a water utility from this water fund (currently not allowed by the statute).

2. CES Battery Proposal Concept

David Kane, Executive Director of Administration, and Seth Garrison, General Manager, lead a discussion on a concept to employ micro-grid scale batteries at East End Wastewater Treatment Facility and the Sebago Lake Water Treatment Facility to reduce power costs and secondarily to increase operational resiliency.

Seth Garrison, the General Manager led off the presentation. Maximizing operational efficiency is his goal with this potential opportunity.

Staff has been reviewing a facility-scale battery storage opportunity for a couple of months. Such a project would allow for a reduction in PWD's electricity cost by up to 5%. These projects are becoming more financially attractive. At the federal level, there is a new tax credit available where PWD could get 30-50% of upfront costs as a tax credit on the purchase. CMP has a new rate category targeted to organizations that install a battery behind the meter, trying to reduce demand for electricity on high peak days. Batteries would be recharged during night time hours; batteries' stored energy would be used on peak days during the peak. This saves money for CMP, and the company shares savings with its customers with this rate they have established for battery users.

PWD is looking at East End and the Sebago Lake Water Treatment Facility as potential battery sites. The pay back to PWD could be 4.8 years for the East End, and 5 years for the Sebago facility.

There are funds available in both water and wastewater fund balances to fund the battery investment.

A conceptual lay out for the battery installation was provided to the Board.

Development options include a system purchase by PWD or a performance contract model, with no upfront investment by PWD; the system owner controls the operations. A hybrid option is also possible.

Having a battery onsite provides additional benefits to operations of the plants; they improve a plant's resiliency by helping to deal with a short-term power interruption.

PWD has done a pro forma analysis of the proposed project. The next step is to issue a competitive RFP seeking proposals for both the East End and Sebago facility. The last phase is the award decision and implementation.

CMP would need to review and approve the project. Land use approvals will also be required. There is significant lead time between the time of ordering the battery and receipt of it. So, such a project will take some time.

These battery installations have been used at other places around the country.

The General Manager noted that the rate structure has changed, making it more beneficial. Also, federal tax incentives make it more attractive. CMP's substation at the east end is some

time away, making it more difficult for PWD to rely on the substation in the short term for its needs at the East End.

Trustee Libby asked if there is a need to put together a fire plan because these batteries would be lithium batteries. Mr. Kane and Mr. Garrison responded that yes, PWD would be working with local fire departments to mitigate potential risk.

Trustee McCann asked if more training and thereby costs would be required, or if insurance costs would go up as a result of taking these batteries on. Mr. Kane noted he was not aware there would be significant increased costs. Mr. Garrison said that could be clearer as a result of the RFP.

South Portland and Scarborough are working on a battery project.

A discussion ensued about the status of the CMP substation on PWD's property at the East End. The status of the project is unknown. CMP has to close on the purchase of the easement by June 30, 2023.

Having the batteries would not eliminate the need for generators at the plants used when the power goes out.

PWD is participating in the net energy billing credit program involving solar projects and has several projects it is participating in that are online.

All costs of the battery facility at the wastewater plant in Portland would be borne by Portland wastewater rate payers. Water rate payers would pay for Standish battery facility. The City of Portland had not been approached about the battery facility proposal yet.

The substation proposed on PWD property could save 2 million dollars in generator costs.

The Board did not object to staff moving forward through the RFP process. Trustee Lunt asked how much such a process would cost; the General Manager said no more than \$5,000.

3. Other Business

None

4. Adjourn

The meeting was adjourned at 7:38 p.m.

Submitted by,

Donna M. Katsiaficas
Clerk