

**MINUTES OF PERKASIE BOROUGH
SPECIAL PUBLIC UTILITY COMMITTEE MEETING
January 30, 2012**

620 West Chestnut Street
Perkasie, Pennsylvania

ATTENDANCE:

Council Member:

Matt Aigeldinger
Stephen Algeo (absent)
Florence Frei
Barbara Krantz (absent)
Suzanne Kravitz (absent)
Steve Pizzollo
Jim Purcell
Jim Ryder
Justin Stottlar
Amanda Brooks (absent)
John Hollenbach
Daniel P. Olpere
Andrea Coaxum
Joe Berardi (absent)
Joe Gura (absent)
Dan Gilbert (absent)
Harold Stone
Josh Aniskevich (absent)
Nathan Fox (absent)
News Herald
Daily Intelligencer
Garrett Cole

Youth Councilor:

Mayor:

Borough Manager:

Assistant Manager:

Finance Director:

Police Chief:

Public Works Director:

Electric Superintendent:

Parks and Recreation Director:

Borough Solicitor:

Press Representatives:

Electric Consultant:

Perkasie Borough Council Vice-President & Chair of the Public Utility Committee Jim Purcell convened the meeting at 6:00 P.M. Mayor Hollenbach gave an invocation followed by the Pledge of Allegiance.

PUBLIC FORUM

None.

UTILITY CHAIR REMARKS

The Committee Chair, Jim Purcell, began the meeting by highlighting the work that the Utility Committee had done over the past two years. The committee has reviewed several different power purchase options over the last two years including solar panel proposals, landfill gas generation, and future market purchases.

NEW BUSINESS

Borough Manager Dan Olpere began by explaining the history of contracts that the Borough has entered into in the past for power supply purchases. Prior to 2009, the Borough purchased what were called “requirement supply contracts” that allowed the Borough to only pay for what electricity was used. While those contracts are still available on a very limited basis, changes to the market have made them very expensive. The current contract that the Borough is under requires purchases in blocks of time over the course of several years.

There was some discussion among Council about how power is purchased by other municipalities around the nation. Council President Matt Aigeldinger added that the Borough has been working hard over the last two years to explore many different purchase contracts from a variety of generation sources.

Mr. Purcell added that some of the projects considered required a fast decision from Council or required the Borough to lock into a contract for 20+ years, both of which the majority of Council was not in favor of at that time.

Mr. Olpere reminded Council that the Borough has a long term contract with New York Power Authority (NYPA) to purchase power generated from the Niagara Falls project. Mr. Purcell added that the NYPA contract shows that the Borough has successfully entered into favorable long term projects in the past.

The Borough’s power purchase consultant Garrett Cole was introduced and explained to Committee members that he thinks that this Council is interested in mixing short term power purchases that can be less expensive with longer term contracts that can provide the Borough with some stability. He then asked each Council person to comment.

Councilman Justin Stottlar stated that he is not in favor of long term contracts because he doesn’t want to take that decision away from future Council members. Councilman Steve Pizzollo said that he wants to be conservative and would be interested in some contracts that are 5 – 10 years in length.

Councilwoman Flo Frei asked if the Borough can purchase more power from the NYPA project. Mr. Olpere said that the Borough does not have that option at this time because the Borough only has the right to purchase a certain amount of power from that source. Ms. Frei then stated that she is not in favor of some of the “green” sources because they all have come with 20+ year long contracts and other power sources might get less expensive over the life of the “green” contract.

Council President Aigeldinger stated that he would prefer the Borough not consider starting any long term contracts until the current contract ends in 2016. After that, he would be in favor of contracts ranging from 5 to 20 years because it can offer stability. He wants to make sure that the Borough is never again in the position they were in in 2008 where the Council only had a few months to find a power supplier.

Councilman Jim Ryder said that he felt Councilmembers now know what good and bad prices are for power. He thinks that any contract offer should be looked if the price is right. He would buy for 20 or 30 years if the price was right.

Committee Chair Purcell said that long term contracts would be okay at the right price.

Council President Aigeldinger asked Mr. Cole if transmission and congestion will always be a risk. Mr. Cole answered that there are full requirement contracts that lock in the congestion to a certain point, but transmission is charged by PPL and cannot be locked in. For example, he explained that the Borough's Exelon purchase in 2011 was bought in the PPL zone, so the congestion is in that price and that offers some stability for the length of that contract. Contracts bought on the open market have to abide by the market rules.

Mr. Cole summarized what he believed were the feelings of Councilmembers by stating that the Borough seems to want to get a lower price and stay with potential contracts that are 10 years long or less. Aigeldinger said that the Borough could consider integrating some long term projects into the future.

The Council then continued answering some of the questions prepared by Mr. Cole so that he could understand what expectations the Borough had for what they'd like to see in a power supply plan. He asked how Council felt specifically about "green" energy sources. Whether Council wanted to integrate "green" opportunities into the portfolio simply because they are clean, or if the cost of that power was more important. Councilwoman Flo said that she felt that solar panels would take up too much space in the Borough.

Most of the rest of Council agreed that while they would like to purchase power from green sources, the rate of the purchase is more important right now. Aigeldinger and Pizzollo both agreed that they were not interested in taking a lot of risks right now.

Mr. Cole summarized again that he felt the Borough wanted some contracts that offered stability for 5-10 years balanced with some 1-5 year contracts that might help keep the prices down.

PUBLIC FORUM

None.

PRESS FORUM

None.

ADJOURNMENT

The meeting adjourned at 7:18 PM.

Daniel P. Olpere
Borough Manager/Secretary