

## MINUTES

### MARCH 11, 2009 OCEAN ENERGY TASK FORCE

#### I. Introductory Matters

- Introductions: Chairs Beth Nagusky and Don Perkins welcomed the Task Force and attending public. Task Force members introduced themselves.
- Mr. Perkins apologized for the potential for a rushed schedule. There is a lot to cover and there has been more time allotted to public comment.
- Mr. Perkins then commented on the complex mix of issues that each of the subcommittees had to deal with and he is very impressed with what has been accomplished thus far.

#### II. Presentations

- Denmark's 100% Renewable Energy Island – *Dr. Soren Hermansen (Organization Leader of Samsø Energy and Environmental Organization, SEEO)*

Mr. Hermansen elaborated on the Denmark's energy picture. There was an oil shortage in the 1970's in Denmark and the country learned early on that alternatives needed to be researched. Nuclear power was initially a potential problem-solver, though in 1985 as a result of activist intervention, the government decided not to pursue the nuclear possibility. Wind, solar, and biomass energy needed to be subsidized in order to succeed.

Denmark's government subsidy amounted to a Feed-in energy Tariff, which is a fixed, government-guaranteed price. This tariff facilitated the purchase and use of efficient turbines. There was a tax established on fossil fuel and proceeds were redirected into the feed-in tariff. At the end of the day it was the consumer tax that paid for everything. It worked well for the wind turbines and for the biomass.

The Samsø Island project was begun by a government challenge to create a zero net carbon community. The idea to use an island was given as inputs and outputs can easily be measured on an island. The way to sell the project was convincing the public that they would be the owners, operators, etc. The public on the island was initially unsure of SAMSO's intentions. Outreach was conducted by engaging representatives from each "sector" of the island village (shopkeep, headmaster, etc) and once they were on board, the rest of the "constituency" was on board.

The island has eleven 1.5 MW wind turbines on shore which the farmers (whose land they are on) own a share in each. There are twenty three MWs produced by ten offshore turbines which offset transportation carbon issuance. The community owns five of them. Three of them are privately owned.

### Questions Regarding the Samsø Island Project

- How does Denmark account for intermittency issues regarding the nature of wind power?
  - The national grid has been extended to Norway and other surrounding countries. If there is excess energy production in Denmark, they can send it to Norway, which is heavily invested in hydropower, and vice versa. At the end of the year the countries involved have a review of who used the most energy and then there is an invoice.
- When considering the statement “100% Renewable Energy” does the island take into account the imported everyday cost of goods of production?
  - The “100%” statement is related to energy, not importation. The cost of goods production is on the agenda.
- Governor’s Bond Issue Update – *Dr. Habib Dagher (University of Maine, AEWG)*
  - LD 913 would appropriate 7.5 million dollars to establish an offshore wind test site in the Gulf of Maine that would be heavily monitored. This effort would leverage Department of Energy funding as well. The Bond issue is a down payment. That will allow Maine to compete for this DOE funding.
  - The Governor appreciates the work that this committee has done and acknowledges that offshore wind is our largest renewable resource.
- Update on Regional Transmission Issues – *Karen Tilberg (Governor’s Office)*
  - Last September, Maine hosted the New England Governors and Premiers Meeting. The Provinces, Maine and other New England states began discussion about how to work regionally on how to coordinate transmission problems and new developments. Baldacci indicated that the New England governors would go back and work together to put together a regional sense of what New England states saw as their needs and goals and reach out to Canadian premiers on how this should all work.
  - The Task force should think about the transmission side of the equation and the critical elements that the Task Force feels the regional blueprint committee should take into consideration.

### **III. Subcommittee Reports**

- **Subcommittee #1: Human Uses and Environmental Impacts**
  - **Short Term Goal** – identify a range of sites appropriate to testing/developing offshore wind
  - **Long Term Goal** – identify areas that should be avoided for commercial wind development

- **Subcommittee #3: Grid Access, Transmission, and Utility Incentives**
  - Entertaining the idea to use the state's highway system as a right of way for transmission.
  - George Hart's analysis is significant. The current assessment is dynamic and underscores the notion that there are national priority transmission corridors that provide for facilitated transmission of high plains wind to the east coast. Maine has tremendous potential but the experience of Aroostook wind is all the demonstration we need that the ability to work with the transmission system is vital. There is no cheap transmission alternative (whether from the West or one built for us, regionally)
  
- **Subcommittee #5: Tidal Energy**
  - The Subcommittee has been wrestling with the scope of their charge. They feel they must concentrate on what is realistic.
  
- **Subcommittee #7: Interim Steps/Coordination**
  - Idea was to be able to present something to the legislature in this session. Two items have come to the top of the agenda. The first is the bond issue that has already been discussed and gives us something to go to Washington with to generate federal funds. The second piece is a step towards creating permitting structure for offshore wind. The general permit structure was the best thing that we could do now for academia or private development to create test sites. The idea is to delegate to Maine DoC the responsibility to work with all interest groups to identify sites limited in scope and size that would be suitable for testing these various technologies. The idea is to get projects in the water by 2010.

A draft of the proposed legislation can be found here:

[http://www.maine.gov/spo/specialprojects/OETF/Documents/Mar11'08\\_TFmtg/OETF\\_GPDraft.pdf](http://www.maine.gov/spo/specialprojects/OETF/Documents/Mar11'08_TFmtg/OETF_GPDraft.pdf)

- **Questions Regarding the Proposed Legislation From the Task Force:**
  - With respect to tidal power regulation and DEP jurisdiction. Would this legislation in any way make it more difficult for tidal development than the streamlined process anticipated for offshore wind?
    - The intent is to clarify that DEP would have jurisdiction over pilot projects.
  - Are the test sites going to be producing power or hooked into the grid?
    - The permit allows a transmission line that is sized no larger than the project. If cable is larger than the project, then there might be more need for additional federal involvement.
  - This legislation is proposing to allow a test site. Is it a test or a demonstration site? Is it to see the effects of the wind mill or the public response to it? It also seems like a waste to have an opportunity to run a cable to test issues and not have one. Having an operational test site is critical to Maine's success in the future.

## **V. Next Steps:**

- The next draft of the proposed legislation should be ready by the 18<sup>th</sup> with all comments submitted by the 25<sup>th</sup>. There will be a Task Force conference call on the 26<sup>th</sup> or 27<sup>th</sup> discussing the comments and the draft.
- Are there steps that the state should get going on in terms of a demand poll? Blade construction just for land-based wind is potentially incredible. The university would like to think about stimulus funding. At the end of the month, DOE will issue an RFP for smart grid proposals. One of them is for storage of offshore wind. There is an opportunity for the Task Force to formulate a proposal that DOE would pay a portion of.
- There being no further discussion or comments, the Chairs adjourned the meeting.