

## Items 23-1018, 23-1019, 23-1020, 23-1021, 23-1022: Related To The AWWTP Waste Heat To Power Project

### Finance Committee

Mon, Aug 21, 2023 5:30PM

#### **Aldersperson Brad Firkus (District 3) 09:22**

And next item is 23-1018. Request to accept the 2022 Public Service Commission Energy Innovation Grant for Appleton wastewater treatment plant waste heat to power project in the amount of \$498,000 along with the following budget amendments which would apply the grant to the project. Two thirds vote of Council required.

#### **Aldersperson Denise Fenton (District 6) 09:47**

Move to approve.

#### **Aldersperson Katie Van Zeeland (District 5) 09:47**

Second.

#### **Aldersperson Brad Firkus (District 3) 09:48**

All right, we have a motion and a second. Director Shaw or director—or actually, okay. You have district 13—or three. Oh okay, all right. Floor is yours, sir.

#### **Steven Schrage (Projects Manager) 10:02**

I just wanted to say that this was a very competitive grant. And there is quite a few applicants for this funding, and we were selected for this based on the merits of our project. And we have several items coming up. And I just wanted to say that this is—all these items are kind of for an overall project. So, we would need to approve them all or not to make this project work. So, it's kind of a lot of moving parts to get the grant for this and to keep everything going. But I guess that's all I had to say for the grant.

#### **Aldersperson Brad Firkus (District 3) 10:53**

All right, thank you. Well, first, with that being a competitive grant, terrific job to secure that or secure this opportunity. So, thank you, for everyone that was involved in that. Does anyone? Okay, Alder Hartzheim.

#### **Aldersperson Sheri Hartzheim (District 13) 11:01**

Thank you, Chair. I—and that's along that same lines that these are sort of all a basket that have to be approved together in order to make this project move forward, I do have a question regarding the budget transfer later on. Would you like me to save that for that period of time when we discuss that item?

#### **Aldersperson Brad Firkus (District 3) 11:24**

I'm fine with any questions pertinent to this project. We can take those up right now, if anyone wants.

#### **Aldersperson Sheri Hartzheim (District 13) 11:30**

Okay, thank you. The memo that we received says that there's a positive project variance for this particular budget item from which the dollars will be moved. Is that a permanency, a piece of—like, is that, are we done with that particular project and we have those funds available? Or we're gonna push that project off further or something of that of that sort?

**Steven Schrage (Projects Manager) 11:52**

Yeah, I can speak for that project. That was a five-year five phase project for the electrical distribution at wastewater. And we are wrapping up that project right now, we're—we'll be done within a month. So, there's no outstanding issues. It's just cleaning up the few things that we had left in that project. I don't foresee any major issues coming up where we would need that contingency for. So, this funding should be available.

**Alderson Sheri Hartzheim (District 13) 12:31**

Excellent. So, there's the buffer there again, thank you. And then the other, not necessarily question, but concern that I have is that there's only one place to get these pieces, parts that we need for this project. And I appreciate that that we as a city have a rule that you have to go through a certain process for sole sourcing, but I find it maybe more just an annoyance in general than an annoyance for the city of Appleton, but I just wanted to make that clear. Thank you.

**Alderson Denise Fenton (District 6) 13:07**

Alder Fenton.

**Alderson Denise Fenton (District 6) 13:08**

Thank you, Chair. I just wanted to reiterate my congratulations for Mr. Schrage and the entire team for getting this competitive grant. I have trumpeted the biogas adjusters and how much we save in the winter time on natural gas, you know, fossil fuel, and love the fact that we're going to be able to shift from flaring off methane gas in the warm weather to actually producing electricity that, you know, save. So, I'm—can I put you on the spot? Can I ask? And I bet you know this. Half a million kilowatt hours. How many homes would that power?

**Steven Schrage (Projects Manager) 13:58**

I—you know, I can probably tell you. I think I think I have that here. I—

**Alderson Denise Fenton (District 6) 14:13**

My goal is to get this to what the average citizen would understand because we think of a half a million kilowatt hours and, you know, as regards the wastewater treatment plant, but like to translate that into my power bill.

**Steven Schrage (Projects Manager) 14:31**

I don't have—to be specific, I would, I would kind of be guessing. I'd like to—I'd like to get an exact number, and I can certainly get back to you on that.

**Alderson Denise Fenton (District 6) 14:42**

I will absolutely follow up with you. But congratulations on the grant and we are excited to see this happen. Thank you.

**Alderson Brad Firkus (District 3) 14:52**

Anyone else? Director Shaw.

**Director Chris Shaw (Utilities) 14:55**

I just wanted to point out. Steve wasn't going to point it out. But if you look at his cost recovery model and the simple payback, and it talks about an eight-year payback. But in that formula, he doesn't factor in demand charges, and what peak demand charges are. So, if things go right, and there's never a maintenance event, during all of the all of the months of the year—but anyway, if we do have successive months with no maintenance issues, those would have a premium of like 20% more electrical benefit. So, the cost would be the cost of recovery would be reduced greatly. But he doesn't want to put that in there because he's conservative,

and you could have a maintenance event in a month, and you wouldn't get you wouldn't capture that. And we probably won't budget for that. But the likelihood is that will occur. Sorry, Steve.

**Steven Schrage (Projects Manager) 15:46**

No, thank you.

**Alderson Brad Firkus (District 3) 15:48**

Sounds good. I do appreciate all the numbers that were included to quantify this. And I was also curious about the lifespan of these pumps. And I was able to find that on Google. It told me 20 years. So that's means there's a pretty long lifespan for these generators then that would continue to have savings even beyond the eight years they're anticipated for the payback period. So that's, that's really encouraging as well. One last check. Any other comments or questions? Seeing none. Sorry. Alder Van Zeeland.

**Alderson Katie Van Zeeland (District 5) 16:21**

Thank you, Chair. If you could just address in the sole source memo, it talks about the Gulf Coast green energy and Electratherm were instrumental in receiving the grants. Can you give me a little more information of what you mean by that?

**Steven Schrage (Projects Manager) 16:37**

Sure, when we were putting together the grant application and the financials and the expected output of these, we worked with electratherm, and they, they're the only ones that make this particular piece of equipment that will work in our application. So, we worked with them, and they were very generous with their time of their employees to help us quantify the savings and the output their generators will do in our operating conditions and parameters that we'll have at the treatment plant for these. And our rep—representative, or distributor for these was Gulf Coast green energy, and they were, along with Electratherm at the meetings helping us get all the information we needed to make this work.

**Alderson Katie Van Zeeland (District 5) 17:48**

So, if I understand what you're saying, this specific piece of equipment, there isn't some other competitive piece of equipment that could do this for much cheaper.

**Steven Schrage (Projects Manager) 17:59**

No, this is the only thing like it.

**Alderson Katie Van Zeeland (District 5) 18:04**

Okay, that's—I just wanted to make sure that I understood. That's what I was getting from this memo. You know, to Alder Hartzheim's point about making sure that we're sole sourcing things that are appropriate. This seems like something that would be appropriate. Thank you.

**Alderson Brad Firkus (District 3) 18:23**

Thank you, anyone else? Alright, seeing nobody else we'll go ahead and vote. All those in favor? Aye. Opposed? Abstentions? Motion passes four to zero.

**Alderson Brad Firkus (District 3) 18:35**

Next is 23-1019.

**Alderson Sheri Hartzheim (District 13) 18:38**

Chair, if I could?

**Aldersperson Brad Firkus (District 3) 18:39**

Yes.

**Aldersperson Sheri Hartzheim (District 13) 18:40**

Move for approval of 23 -1019 -1020 -1021 and -1022 all in one please.

**Aldersperson Denise Fenton (District 6) 18:49**

Second.

**Aldersperson Brad Firkus (District 3) 18:50**

Sounds like a good idea. All right. So, any—I don't, I would imagine there are no more questions or comments unless anyone has any specific about any of these. So, with that we'll go ahead and vote. All those in favor? Aye. Opposed? Abstentions? Motion passes four to zero.