

EAQAC Minutes

December 7, 2011

Present: Steve Gibb, Ed Barbour, Stephen Shaw, Tim Whitehouse, Bernie Bloom (by phone), Jim McDonnell, Sam Biondo, Ken Cantor, Jody Foster, Eric Coffman, Stan Edwards

Absent: Paul Bubbosh, Melitta Carter, Aaron Cutler, Betsy O'Brian

November minutes were reviewed and approved.

Continuing Issues:

Proposed changes to building code: Bernie Bloom, Melitta Carter, and Eric Coffman met with Bob Hoyt (Director, DEP) to convey the EAQAC's concerns about the proposed building code changes that, if adopted, would modify air exchange requirements for new construction. This was subsequent to a presentation that Bernie and Melitta made to the Maryland Building Industry Association. Feedback from the builders was communicated to Mr. Hoyt, who was supportive of our message. The next step will be a meeting, now being organized, with the Department of Permitting Services. Bernie pointed out that there is an understanding at Permitting Services that the County is under no obligation to adopt the proposed code.

Proposed public meeting: Sam Biondo, Melitta Carter, and Jody Foster offered possible titles and topics for a public forum or meeting to discuss energy and air quality issues in Montgomery County. Jody continues her attempts to contact possible partners at Montgomery College. Several additional contacts were suggested. The presentation by Susan Marinelli on mygreenmontgomery.org (1 below) provides a possible framework and range of topics for the public forum.

DEP Update:

- About \$600,000 of projects have been approved under the Residential Rebate Program, with \$400,000 remaining. Applications are arriving and being approved on a regular basis. The program will continue for a few more months.
- The Commercial Rebate Program continues. A number of interesting case studies will be forthcoming.
- Building Operators Training, supported 50% by the County and 50% by PEPCO is launching, with the first four-day course to start on December 15, with additional courses in January and February. Funding is available to subsidize the training of 80-100 operators. In a discussion, it was suggested that the course might be more valued if trainees were required to provide some of their own support. In response, the point was raised that employers must sacrifice several days of employees work time while they are in training.

- The Commercial and Multi-Family Building Study, funded by the American Recovery and Reinvestment Act (ARRA), is intended to identify a package of policies to achieve a 25% reduction in energy consumption from these sectors within 10 years. The study has two overall phases: Baseline phase (a survey of the commercial and multi-family sector to enable to estimation of costs and benefits of specific policy decisions) and a Policy package development phase. DEP's consultants are wrapping up the baseline and will shortly proceed to policy development. EAQAC will be engaged in the organized stakeholder discussions for the proposed policy package.

Discussion items:

1) mygreenmontgomery.org:

Susan Marinelli of the DEP walked the Committee through a new website, mygreenmontgomery.org (MGM). MGM redefines how the County interacts with the community on sustainability issues by collecting all County, State, Federal, utility and nonprofit programs, resources and incentives in one place. This site also creates a meeting place for the community to “share” and interact with their peers about how to live a “greener” lifestyle. Some key functions include:

- Centralizes green information on one information portal,
- Provides tips and information on specific green projects and incentive information,
- Permits resident and consumer comments and feedback to the County,
- Allows residents to create their own green plans and track their progress,
- Has a blog to capture interesting and relevant green activities including guest submissions by local vendors,
- Has a green map feature and directories of service and product providers captured by other programs,
- We will be able to add new content rapidly (unlike some other government website) since the web is designed to be fast.

This program will launch formally the week of January 8th. It will be essential that community leaders help promote MGM as well as submit articles and blog posts to keep the dialog with the community going.

2) Natural gas prices:

Jim McDonnell presented a summary of historical, current and projected natural gas prices. Natural gas prices in both the spot and forward markets have dropped precipitously. The five month “winter strip” (November through March) is below \$4 per mmBtu, which is a 10 year low. The two big drivers of declining natural gas prices are increased supply in the form of new shale gas reserves and decreased demand resulting from the weak economy.

Jim noted that here in the Mid-Atlantic, natural gas prices and electricity prices are highly correlated. Commercial businesses in Montgomery County are now seeing electricity supply (generation and transmission) prices below 8 cents per kilowatt-hour.

Influences that could drive natural gas prices upward include greater industrial uses of natural gas, coal plant shutdowns, the development of an LNG export trade in the US, and more restrictive regulation of hydraulic fracturing (fracking). The biggest driver that will continue to moderate natural gas prices is the further development of shale gas reserves, particularly the Utica Shale in the Appalachian Basin.

Low natural gas prices, and the related declining electricity prices, will make it more difficult for renewable energy sources to compete on an economic basis.

Natural gas prices and crude oil prices have become decoupled. Historically, on an energy equivalent basis, crude oil used to trade at about a 50% premium to natural gas, reflecting crude oil's greater energy density, portability and flexibility. More recently, that premium has increased to 300% or more. Thought of another way, natural gas is trading at a 75% discount to crude oil. Crude oil prices are driven by influences in the world energy market, the largest being growing demand in developing countries. US natural gas prices are driven by factors specific to the integrated North American natural gas markets.

Jim also noted that the portion of US crude oil supply that is imported is declining as a result of lower demand in the US, because of the weak economy, and because of increasing US crude oil production, as, for example, from the Bakken Shale in the Williston Basin of North Dakota. Also, the EIA forecasts that for the first time since 1949, during the year 2011, the US will be a net exporter of petroleum products (gasoline, fuel oil, jet fuel, etc.).

Concerning Montgomery County, it was discussed that low natural gas prices may make combined heat and power (CHP) applications more attractive.

Action Items:

1. EAQAC members are requested to review the mygreenmontgomery.org website and provide feedback.
2. Eric to distribute Bernie's version 3.0 of the code summary.
3. Sam, Jody, and Melitta will continue work on the public forum.