

Mayor and Council Work Session and Executive Session November 17, 2015 Agenda

*"A diverse, business-friendly, and sustainable community with clean, safe and strong neighborhoods."
"Providing the most efficient and highest-quality services as the municipal location of choice for all
customers."*

*"Even if something is left undone, everyone must take time to sit still and watch the leaves
turn." Elizabeth Lawrence*

EXECUTIVE SESSION

3:30 PM 1. Executive Session Agenda

4:00 PM WORK SESSION

4:00 PM 1. Preliminary Agenda Review

4:15 PM 2. Customized Energy Solutions/Alevo Energy Storage System Project

4:30 PM 3. "Gigabit City" Discussion with Antietam Cable

CITY ADMINISTRATOR'S COMMENTS

MAYOR AND COUNCIL COMMENTS

ADJOURN

**REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND**

Topic:

Executive Session Agenda

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name

November_17_2015_Executive_Session.pdf

Description

Agenda



EXECUTIVE SESSION

MAYOR & CITY COUNCIL

NOVEMBER 17, 2015

AGENDA

3:30 p.m. EXECUTIVE SESSION – *Room 407, 4th floor, City Hall*

1. To consider a matter that concerns the proposal for a business or industrial organization to locate, expand, or remain in the State, #4

**Business Proposal – 2 items*

***AUTHORITY:** Annotated Code of Maryland, State Government Article, Section 10-508(a)
(Subsection is noted in parentheses)

CITY OF HAGERSTOWN, MARYLAND

PUBLIC BODY: Mayor & City Council
PLACE: Room 407, 4th floor, City Hall

DATE: November 17, 2015
TIME: 3:30 p.m.

AUTHORITY: ANNOTATED CODE OF MARYLAND, STATE GOVERNMENT ARTICLE: Section 10-508(a) :

1. To discuss:
 - ☐ (i) the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation or performance evaluation of appointees, employees, or officials over whom it has jurisdiction; or
 - ☐ (ii) any other personnel matter that affects 1 or more specific individuals;
- ☐ 2. To protect the privacy or reputation of individuals with respect to a matter that is not related to public business;
- ☐ 3. To consider the acquisition of real property for a public purpose and matters directly related thereto;
- ☒ 4. To consider a matter that concerns the proposal for a business or industrial organization to locate, expand, or remain in the State;
- ☐ 5. To consider the investment of public funds;
- ☐ 6. To consider the marketing of public securities;
- ☐ 7. To consult with counsel to obtain legal advice;
- ☐ 8. To consult with staff, consultants, or other individuals about pending or potential litigation;
- ☐ 9. To conduct collective bargaining negotiations or consider matters that relate to the negotiations;
- ☐ 10. To discuss public security, if the public body determines that public discussions would constitute a risk to the public or public security, including:
 - (i) the deployment of fire and police services and staff; and
 - (ii) the development and implementation of emergency plans;
- ☐ 11. To prepare, administer or grade a scholastic, licensing, or qualifying examination;
- ☐ 12. To conduct or discuss an investigative proceeding on actual or possible criminal conduct; or
- ☐ 13. To comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosures about a particular proceeding or matter; or
- ☐ 14. Before a contract is awarded or bids are opened, discuss a matter directly related to a negotiation strategy or the contents of a bid or proposal, if public discussion or disclosure would adversely impact the ability of the public body to participate in the competitive bidding or proposal process.
- ☐ 15. Administrative Function

**REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND**

Topic:

Preliminary Agenda Review

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

**REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND**

Topic:

Customized Energy Solutions/Alevo Energy Storage System Project

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name

Description

Memo_for_CES_Alevo_Lease_Agreements_111715.pdf

Memo

Electric_Division_ALEVO_Fairground_Substation_Screening_111715.pdf

Exhibit One

City of Hagerstown



Department of Utilities

425 East Baltimore Street
Hagerstown, MD 21740-6105

1 Clean Water Circle
Hagerstown, MD 21740-6848

51 West Memorial Blvd
Hagerstown, MD 21740-6848

November 17, 2015

TO: Valerie Means, City Administrator

FROM: Michael S. Spiker, Director of Utilities

Nathan Fridinger, Electric Operations Manager

SUBJECT: Customized Energy Solutions/Alevo Energy Storage System project

ACTION: Requested Approval of Lease Agreements for Fairground and Wesel Substations

HLD Staff, FERC Legal Counsel Tom Rudebusch, and the ALEVO/Customized Energy Solutions team have completed the Lease Agreement negotiations that were last discussed with the Mayor and Council on August 18th. I have prepared bulleted items for review which contain the background review of the project and the pertinent points of the agreements for locations at the HLD Fairground Substation and Wesel Substation.

Customized Energy Solutions/Alevo Background

- The HLD has a long standing relationship dating back to 2002 with Customized Energy Solutions (CES) through the Public Power Coalition (PPC), as our liaison with all PJM activities. CES documents and reviews all PJM related information that is crucial to our decision making process related to generation/transmission issues.
- Alevo Group SA is based in Verbier, Switzerland and opened a new 4 million sq. ft. manufacturing plant in Concord, North Carolina in October 2014. The company plans to invest \$1 billion into the manufacture of its battery technology and reduce waste that currently exists in electric grid delivery systems.
- Alevo classes itself an Energy Service Provider that uses a combination of innovative battery technology and smart data analytics to reduce a huge part of the 30% generated electricity that is currently wasted through inefficiencies in the grid delivery system.

Proposed Project

- The project will consist of utility scale Energy Storage Systems installed at two sites within the City of Hagerstown. The projects at these two sites (Wesel Substation and Fairgrounds Substation) will operate behind the meter as “demand response” resources participating in the PJM Regulation ancillary service market and provide PJM system grid reliability services, specifically voltage and frequency support. The projects have been sized to ensure that they remain behind Hagerstown’s meters and do not inject into the Potomac Edison system.

- Alevo has invented a battery technology that is the core component of its GridBank System where each

2MW unit is an approximately 10 ft. x 40 ft. pre-fabricated structure. The current study utilizes 10MW of battery storage (two structures at Fairground Substation and 3 structures at Wesel Substation).

- The active ingredients of the Alevo cells are LFP (lithium ferrophosphate) and graphite. Unlike typical rechargeable lithium ion batteries, such as those found in most consumer electronics devices, the Alevo lithium cell contains an inorganic electrolyte and as such is completely non-flammable.
- An ESS operates by storing electricity that was generated on the system grid and discharging it when system requirements demand it. It is considered a sustainable/renewable resource due to the fact it does not create emissions when called upon to operate.
- Full screening of the Fairground site will be submitted for final approval by the City.

Lease Agreement Provisions

- Lease Agreements located at the Hagerstown Light Department's Wesel (6MW system) and Fairground (4MW system) Substations are to be used solely for the purpose of the installation of Energy Storage Systems.
- The initial term of the agreement is 10 years and contains provisions for 2 five year extensions if mutually agreed upon. Fairgrounds Substation shall receive \$2000 per month and Wesel Substation shall receive \$3,000 per month for the term of the agreement.
- The HLD shall provide existing and available utilities to the Project Site in connection with ALEVO's construction, start-up, maintenance, repair, replacement and operation of the Project, at existing rates or actual cost, as appropriate.
- The Fairground Substation agreement contains provisions for a temporary staging area of 3600 square feet for approximately six weeks at the far west side of the parking lot nearest the substations. Ten parking spots will be affected.
- Easements and rights of entry are granted at the site locations. The Wesel Substation location will house the ALEVO facility within the existing substation footprint. An easement will be granted between the proposed ALEVO facility and the HLD Substation at the Fairground Substation for electric connectivity.
- The City possesses the option to request the removal of the equipment at the end of the agreement or for the equipment to remain in place. ALEVO is permitted to choose one of the two options.
- ALEVO has the option to transfer the provisions of the agreements after a 60 day notice is supplied to the City. All agreement provisions and payments remain in place.
- ALEVO is responsible for the leased area and associated equipment maintenance, security, and safe operation. Specifically, the "ALEVO shall maintain the Facility in a structurally sound and safe condition consistent with all Applicable Laws."
- This Agreement shall be governed by the laws of the State of Maryland, including principles of good faith and fair dealing that will apply to all dealings under this Agreement.
- Commercial general liability insurance, with limits of not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate are included. Excess liability insurance, with a limit of not less than \$5,000,000, and Workers' Compensation Insurance of not less than \$1,000,000 for bodily injury per occurrence and \$2,000,000 in the aggregate are provided.
- Summation: The HLD will receive \$60,000 per year in lease agreements, revenue from the sale of electricity for ancillary requirements of the systems, and may supply other maintenance type services for the project during construction and operation. ALEVO has verbally committed to the utilization of local contractors when applicable during the construction process.

STREET VIEW AFTER INSTALL



HAGERSTOWN FAIRGROUNDS SITE PLAN

ALLEVO

STREET VIEW 2-3 YEARS AFTER INSTALL



HAGERSTOWN FAIRGROUNDS SITE PLAN



LANDSCAPE DESIGN

Indigenous, hearty, low maintenance landscaping will be installed by professional Maryland contractors designed to create greenscape in front of fence installation. Will include these two varieties of plants:

Nellie Stevens Holly

Ilex x. Nellie R Stevens

Planted as 6 foot trees. Will transform into a 8-10 foot full size hedge in 2-3 years, with minimal hedge trimming and shaping.



Ornamental Grass

Miscanthus Sinensis Purpurascens

Will be planted in front of holly. Will appear as a hedge over time. Changes colors through the seasons. Cut back each spring.



HAGERSTOWN FAIRGROUNDS SITE PLAN

LANDSCAPE DESIGN

Landscape will be strategically planted to provide fence coverage early on.

INSTALLATION



**REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND**

Topic:

"Gigabit City" Discussion with Antietam Cable

Mayor and City Council Action Required:

None.

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name

ACTV_111715.doc

Description

Cover Memo



CITY OF HAGERSTOWN, MARYLAND

Department of Community & Economic Development

November 12, 2015

TO: Valerie Means, City Administrator

FROM: Scott Nicewarner, Director – Technology and Support Services

RE: “Gigabit City” Discussion with Antietam Cable

BACKGROUND:

Brian Lynch, President of Antietam Cable and Vice President of Cable Operations for Schurz Communications, will be on hand with me for the November 17 Mayor and Council work session to discuss their implementation of fiber-to-the-premise in our City Center and immediate surrounding area. He will be able to expand upon the project as well as answer any questions specific to their implementation.

COUNCIL ACTION REQUIRED:

None.