

MINUTES
June 14, 2010
Public Utilities Committee
City of Batavia

Please **NOTE:** These minutes are not a word-for-word transcription of the statements made at the meeting, nor intended to be a comprehensive review of all discussions. They are intended to make an official record of the actions taken by the Committee/City Council, and to include some description of discussion points as understood by the minute-taker. They may not reference some of the individual attendee's comments, nor the complete comments if referenced.

Chairman Frydendall called the meeting to order at 7:31 p.m.

1. Roll Call

Members Present: Aldermen Brown, Clark, Frydendall, Jungels, O'Brien, and Wolff

Members Absent: Aldermen Volk

Also Present: Gary Holm, Public Works Director; Bob Rogde, Electric Superintendent; Mayor Schielke, and Connie Rizo, Recording Secretary

2. Approve Minutes

None.

3. Removed/Added/Changed

None.

4. Ordinance #10-21 Amending Title 8 of the Code Relating to Electric Service Regulations and Rates (Gary Holm 6/4/10)

Gary Holm stated that PJM has the authority to impose certain requirements on ComEd and in turn ComEd has the authority to impose requirements on Batavia. Holm explained one of the requirements is power factor and that a load with low power factor draws more current than a load with a high power factor for the same amount of useful power transferred. Holm added that higher currents increase the energy lost in a distribution system and require the utility to put in larger wires and larger transformers along with other equipment. Holm stated Batavia Electric desires customers to have as high a power factor as possible as well as Batavia Electric having as high a power factor as possible. Holm stated that the power factor required by ComEd for Batavia Electric is 0.95, which the utility has made system improvements to attain. Holm pointed out the cost of those general system improvements have been passed along to all the customers.

Holm relayed that there are some individual customers with low power factors who cause excessive system losses. Holm commented that it is not fair to pass along

those costs associated with those individual customer's low power factors resulting in system losses to every customer.

Ald. Clark asked for an example of a low power factor problem. Rogde provided the example from another community wherein a warehouse had sodium lighting, which is notorious for lower power factor. Rogde explained that anything that has a coil draws another type of energy from the system known as volt-amps-reactive (VAR). In Rogde's example of the warehouse he stated they were using more VARs than watts. Rogde relayed that most high quality light fixtures come with a power factor correction capacitor in them to take care of the power factor problem.

Rogde provided another example wherein a warehouse with electric lift trucks changing AC to DC causes poor power factor due to the transformer with a large coil. Rogde added that plastic molding companies have the challenge with the power factor because it is easier for them to control products moving through their line with DC rather than AC.

Rogde advised that in establishing Rubicon in Batavia there were conversations ahead of time to help them correct their power factor and "noise" on the system with harmonics (multiples of 60). Rogde explained that a lot of times when industries make power factor corrections everything in the factory runs cooler and better as well as more efficient.

Holm advised that the customers with a power factor below 0.85 are not subject to the power factor penalty today but would be under the new ordinance if they do not make improvements. Staff recommended that the effective date for the increased power factor be January 1, 2012, to help provide the businesses with approximately 18 months to make improvements.

Ald. Brown inquired how the power factor is measured. Rogde advised that meters are more sophisticated these days and measure and collect a lot of information. Ald. Brown asked who in the utility reads and understands the information collected from the meters. Rogde replied John West and staff read and analyze the information.

Motion: To recommend to City Council approval of Ordinance #10-21 amending Title 8 of the Code relating to electric service regulations and rates.

Maker: Brown

Second: Wolff

Voice vote: 6 Ayes, 0 Nays, Motion Carried.

CONSENT AGENDA

5. Ordinance #10-22 Amending Title 8 of the Code Relating to Electric Service Installation Policies (Gary Holm 6/4/10)

Motion: To recommend to City Council approval of Ordinance #10-22 amending Title 8 of the Code relating to electric installation policies.
Maker: Brown
Second: Wolff
Voice vote: 6 Ayes, 0 Nays, Motion Carried.

CONSENT AGENDA

6. Other

Gary Holm stated the week of September 20, 2010, NIMPA would do another tour Prairie State for the mine and the power plant.

7. Adjournment

A motion was made by Ald. Wolff and seconded by Ald. O'Brien to adjourn the meeting at 7:55 p.m. All were in favor and the motion was carried.

Minutes prepared by
Connie Rizo