

Meeting: **Wednesday, February 6, 2002**

Doubletree Guest Suites Hotel
Exit 27B off Route 128 (I-95), Waltham, MA

4:30 Board Meeting (open to all)
5:30 Registration and Networking
6:30 Dinner and Presentation

Space Limited - Registration strongly encouraged
CALL the Reservation Line Today: 781-446-0125
Or email reservation to: arthur1771@aol.com

\$35 per person; \$15 per student with ID

Energy Recovery

The evening's presentation will start with a video illustrating energy recovery technologies, then progress to some local case study information including rebates and lessons learned. A brief review of the code requirements will be offered, as well as the ADL study and also how the presenters view the implementation of energy recovery. We are fortunate to have two experienced professionals collaborating on the February 6 meeting, Jim Connell and Ross Kiddie.

Jim Connell, VP Sales for Airxchange Inc has 34 years of HVAC industry experience. This experience was gained working with Carrier, Lau, Copeland and Airxchange. Jim's education includes a BSME from Rensselaer and an MBA from American International College.

Ross Kiddie holds a BSEE and has 25 years of energy industry experience. This experience includes many roles, not the least of which was as the Energy Manager for CVS. Ross currently serves as a consultant to Xenergy, Duke Solutions and other ESCo's.

President's Message

Hello to all.

Last month Fran Boucher prepared, and Joe Hall stepped in to run a great meeting with National Grid and the DesignLights Consortium. The evening was very informative and showed us we can always learn something new. Thanks to both Joe and Fran for their efforts.

Again, we had a very packed room for the dinner and program. Please call as early as possible to make your reservation so we can get a larger room, if one is needed.

This month's meeting covers Energy Recovery, always a hot topic, and again Joe Hall has put together a program with top-notch guest speakers. Our presenters will be Jim

Connell and Ross Kiddie, two energy professionals with many years of experience in the industry. This could be information overload so bring a note pad and reserve your space early.

Also, I have one side note. Our newsletter is also sent out in email form. For those of you who would like to receive it electronically and get a bit more notice, email any board member and we will get you on the email notification list.

SKI TRIP

~ AEE members, in association with the Greater Boston Ski Club and The Eastern Inter-Club Ski League.

~ Park City Utah & The Canyons Ski Trip -- March 12-19, 2002 "Home of the 2002 Winter Olympics"

~ Meet great people, ski with new friends.

~ AEE members \$ 900.00, Non- members \$945.00. Includes: Air, Hotel and Lifts.

~ For each non- member you get to go you will get \$40.00 off the cost of your trip!

~ For more information, 617-422-1777; www.eicsl.org, and parkcity@eicsl.org, or John Bycina at 781-246-8855

INAUGURAL GOLF TOURNAMENT

The New England Chapter will hold the 2002 AEE Annual Golf Outing at New England Country Club in Bellingham, MA on Tuesday, June 18th. On the day of the outing arrive and sign in at 8:00 am, and we'll enjoy a round of golf with Global Positioning System carts, food, cash and prizes raffle, and team and individual awards. Arrange your own foursome or we'll help you. Shotgun start at 8:30, we play best ball with no handicapping. Awards ceremony starts around 3:30 pm. Everyone gets:

~ 18 Holes of golf including GPS Cart with your company name.

~ At Registration - Sleeve o' Balls, Raffle & Meal Ticket.

~ Offer to buy 1 mulligan per golfer.

~ Lunch delivered to your cart on the course.

~ Entry into all contests (closest-to pin, closest-to line, longest drive, best team score, runners up and most honest team).

~ Showers, lockers, air conditioned function room for our use.

~ Concierge for local dining/clubs/hotels and activities.

Entry fees, rules and registration will be in the AEE March newsletter. New England Country Club is an excellent but challenging course. Feel free to visit their website at www.newenglandcountryclub.com. For now, mark the date, think about a foursome and watch for the March newsletter. Space is limited.

Send inquiries to: Joseph Hall, (508-482-1238) or email joseph.hall@us.ngrid.com.

LOCAL ORGANIZATION NOTICES

Golf Outing: The Inaugural AEE New England Chapter Golf Tournament is scheduled for June 18th, 2002 at New England Country Club in Bellingham, MA – see the article in this issue. Next month's newsletter will have more detailed information regarding entry fees, rules and registration information. We'll start taking all the reservations in March.

Ski Outing: Ski the March powder in Utah!! Please see the article in this issue.

Potential Activities and Topics: There are quite a few ideas for meeting topics and tours listed with the meeting schedule on Page 1. The Board encourages, and would welcome, input from any member(s) who have interest in any of these topics/tours, or would like to participate or help with arranging any of these activities. Please contact any of the Officers or Board members (listed on Page 2), or talk to any of us at a meeting and make us aware of your interest.

Scholarships: Now is the time to submit AEE scholarship applications for the upcoming September, 2002 academic year. We have six such scholarships available with a value of \$1,000 each. If you, as an AEE member, have a son or daughter, niece or nephew, significant other, etc. who is in college, and is majoring in any energy-related field, let me know, and I will send you the appropriate application forms. Contact:

Arthur Orenberg, Scholarship Chairman: Tel: 781-862-1771; Email:

arthur1771@aol.com

New England Chapter Awards: Applications for the 2001 Energy Project of the Year Award are still being accepted in the following six categories.

- Commercial
- Industrial
- Health Care
- Institutional/Public
- Multifamily Residential
- New and Unique Technologies

This is a great way to gain recognition for your company, customer and all your hard work. To be eligible for a project award, the project must have been in service for at least six months. Projects should be located in New England or have been performed by a company located in the New England area. The deadline for award entries is March 31, 2002. For more information and entry forms, please contact:

David S. MacIntosh, P.E.; Alliant/Cogenex; 978 - 441 - 0090;

dmacintosh@alliantenergyisco.com

"A Hydrogen Future," "Futurist," by Dan Johnson, p.8, January/February/02

Hydrogen, a nonpolluting and renewable form of energy, is receiving a lot of attention as

a possible alternative to fossil fuels, reports the "Futurist." Peter Hoffman, author of "Tomorrow's Energy: Hydrogen, Fuel Cells, and the Prospects for a Cleaner Planet," says that there has been interest in hydrogen in scientific, academic, and political circles since the 1930s. A major advantage of hydrogen is that it can store large quantities of electricity for future use. At the moment, most hydrogen is extracted from fossil fuels. Hoffman predicts that in the future hydrogen will be made from clean water and clean solar energy.

When hydrogen is burned in an internal-combustion engine, it releases a practically harmless water-vapor exhaust, and doesn't emit pollutants when burned in an engine with atmospheric oxygen, reports the "Futurist." Hydrogen is also a major element of fuel cells for cars and other uses. Hoffman says that fuel-cell engines can be more than twice as efficient as internal-combustion engines.

DaimlerChrysler is spending \$1 billion in the next 10 years on fuel-cell work and is joining forces with Ford and Ballard Power Systems to sell fuel-cell buses in Europe later this year. Leading energy companies are also turning to hydrogen, says the "Futurist." BP and Shell now have hydrogen divisions, and ExxonMobil is partnering with GM and Toyota to make fuel cells. There is also interest in hydrogen overseas. Iceland has joined forces with Shell, DaimlerChrysler and Norsk Hydro to use hydrogen for its fishing boats, buses, and cars, by 2040. Japan has a \$4 billion budget for hydrogen development in the next 20 years and \$88 million for the next five years.

Maine companies to save \$100 million on power bills NEW YORK, Jan 15 (Reuters)

The Maine Public Utilities Commission accepted bids for standard offer electricity service that will save Maine businesses nearly \$100 million a year, the commission said in a statement. "I'm happy to be able to report that when market prices fall, as they have during the past year, we are able to pass those reductions along to standard offer customers," said Tom Welch, chairman of the commission. Standard offer service is the default energy supply for electricity customers.

The commission said it accepted bids for new standard offer prices for medium and large commercial and industrial customers in the Central Maine Power Co. and Bangor Hydro-Electric Co. service territories, effective March 1, 2002. The new prices are 41 percent to 49 percent lower than the current standard offer prices, the commission said. The new standard offer prices for Central Maine commercial and industrial customers are, on average, about 4.2-cents/kilowatt hour (kWh) for the medium and large classes. For Bangor Hydro customers the prices are, on average, 4.2 cents/kWh for the medium class and 4.0 cents/kWh for the large class.

LIPA Opens Full Market to LI Electric Choice -Uniondale, New York, January 18, 2002

The Long Island Power Authority (LIPA) announced that it has opened the Long Island electric market completely to retail competition, seven years ahead of the schedule imposed by the Public Authorities Control Board (PACB) in May 1998 when LIPA purchased LILCO's retail electric business.

At the same time, LIPA also increased the Energy Bill Credit, or shopping credit, from 3.5 cents per kilowatt-hour (kWh) to 4.5 cents per kWh. Increasing the bill credit by nearly 30% will provide ESCOs with a greater incentive to supply competitively priced

electricity to consumers in LIPA's service area through the LIChoice program. The bill credit is the average cost to generate the electricity supplied by LIPA to its customers. "We're taking these two steps to encourage more competition in the pricing of electricity on Long Island and in the Rockaway Peninsula in Queens," said LIPA Chairman Richard M. Kessel. "When we reduced electric rates by an average of 20% in 1998, the largest single electric rate reduction in U.S. history, Governor George Pataki also pledged that LIPA would introduce retail electric competition. Today, we are keeping that pledge by opening up the market to all our customers well in advance of the PACB ten-year deadline, and a year in advance of our own self-imposed 2003 deadline." LIPA introduced Phase I of its LIChoice Program in April 1999. Modifications were made in the program in May 2000, when Phase II was introduced. Under LIPA's retail competition program, three Energy Supply Companies (ESCOs) have been certified by LIPA to supply electricity to residential and commercial customers on Long Island. Presently, some 38,039 residential and commercial customers receive some 220.4 MW of electricity from ConEd Solutions, NIMO Energy Marketing or KeySpan Energy Solutions.

"We're pleased that retail competition will be available to all of LIPA's customers," said Mr. Kessel. "It is our hope that the modifications we're making in the program will draw more ESCOs into our market." Nationwide, 24 states are opening their markets to retail competition through some form of deregulation. LIPA is the only municipal electric entity within any of those 24 states to offer a retail competition program to its customers. Mr. Kessel indicated that LIPA has invited the Suffolk County Electrical Agency (SCEA) to formally participate in LIPA's LI Choice Program and sell as much electricity it can obtain under its provisions as an ESCO. Kessel said that under Suffolk's pending proposal, which would force a majority of LIPA's customers to subsidize the small group of customers SCEA is seeking to serve, is unwarranted. The customers Suffolk is seeking to serve would be better served if the SCEA provides its electric supply under the existing LIChoice Program.

Since May 1998, LIPA's 20% rate reduction has saved Long Island's electricity consumers more than \$1.5 billion. LIPA also offers a wide range of energy conservation and efficiency programs through its five-year, \$170 million Clean Energy Initiative that can help consumers manage down electric costs. Information about LIPA's energy conservation programs can be found on its Web site, www.lipower.org, or by calling LIPA's EnergyWise Infoline during business hours at 1-800-692-2626. The Long Island Power Authority owns the electric retail business on Long Island. LIPA provides electric service to nearly 1.1 million customers in Nassau and Suffolk counties, and the Rockaway Peninsula in Queens. LIPA does not provide natural gas service.

Peoples Energy, Dominion Form Alliance to Serve Chicago Area Residential Energy Market - Chicago, IL/Jan. 18, 2002

Peoples Energy Corporation and Dominion announced an alliance to market retail gas and electricity to the nearly 3,000,000 residential consumers in Chicago and northern Illinois. Residential customers in the region can begin to select their energy provider beginning in May 2002.

Under the agreement, Dominion's retail marketing arm, Dominion Retail, Inc. and Peoples Energy Services, a subsidiary of Peoples Energy, will jointly perform marketing

and customer service for residential natural gas and electricity customers in the Chicago area. "This alliance leverages the respective strengths of both companies to meet the energy needs of households throughout the dynamic metropolitan Chicago market," said Tom Patrick, president and COO of Peoples Energy. "The Peoples-Dominion alliance promises residential customers excellent service and stable prices."

"Through experience, we know customer choice programs won't work unless they bring consumers reliable energy products and services at competitive prices," said Thomas F. Farrell, chief executive officer of Dominion Energy. "Our cost-efficient approach to marketing can deliver the savings and stability promised by customer choice programs. This is part of Dominion's overall plan to balance its energy producing assets with retail customers who actually use energy, and is a key component in our price risk management program." This alliance is the second partnering between Peoples Energy and Dominion, building upon their successful joint development of power generation assets. Through Elwood Energy, LLC, the partners co-own and operate a 1350- megawatt gas-fired power plant 60 miles southwest of Chicago. Elwood began operations in 1999, and is one of the largest independent peaking power generation facilities in the country.

Dominion is one of the most experienced residential energy marketers in the nation and its "choice" programs have brought savings to hundreds of thousands of customers. It has conducted over 200 campaigns since 1997 and has over 700,000 retail customer accounts for natural gas, electricity and related products and services. Peoples Energy is a diversified energy company comprised of five primary business segments: Gas Distribution, Power Generation, Midstream Services, Retail Energy Services, and Oil and Gas Production. The Gas Distribution business serves about 1 million retail customers in Chicago and northeastern Illinois. Visit the Peoples Energy web site at www.PeoplesEnergy.com. Dominion is one of the nation's largest producers of energy, with a production capability of more than 3 trillion British thermal units of energy per day. Dominion serves nearly 4 million retail natural gas and electric customers in five states. For more information about Dominion, visit the company's web site at www.dom.com.

Enron Chooses Swiss Investment Bank's Bid on Its Trading Operations - Tom Fowler, Houston Chronicle, Jan. 12, 2002

NEW YORK--Enron chose an offer on Friday by Swiss investment bank UBS to buy a majority stake in its trading operations, a move that could jump-start the heart of the energy trading company. The deal is supposed to restore capital and financial credibility to the trading operation, which has been all but shut down since the company filed for bankruptcy protection in early December.