



Mike Jacobs

Chairman

Vineyard Power

Meeting Agenda

Welcome

Announcement of New Directors

Financials

Update on Vineyard Power Solar

Update on Vineyard Power Offshore Wind

Update on Legislative Initiatives

Question & Answer

Announcement of New Directors

Each member of the board of directors shall serve their terms of office until such time as the Directors and Officers may be replaced by a vote of the Members prior to the annual meeting of the Members to be held each August.

This August meeting is the seventh (7th) Annual Meeting of the members. At this meeting, the Cooperative will announce a new slate of four directors.

Directors & Officers

Michael Jacobs, Director & Chairman, term expires 8/2019

Bill Lake, Director, term expires 8/2019

Ron Dagostino, Director & Treasurer, term expires 8/2019

Paul Pimentel, Director, term expires 8/2018

Ted Bayne, Director & Secretary, term expires 8/2018

Ann Berwick, Director, term expires 8/2018

Janet Foley-Orosz, Director, term expires 8/2017

Daniel Seidman, Director, term expires 8/2017

Julia Bovey, Director, term expires 8/20/17

Richard Andre, President, by appointment of the Board

Ron Dagostino

Treasurer

Vineyard Power

Financials

Sources & Uses

Vineyard Power Co-Operative

	(\$ k)	2010	2011	2012	2013	2014	2015	2016	Cumulative
In-flow									
Membership		60	20	15	5	.2	1	3	105
VEP Grant		53	78	20	11	54	0	59	275
Director' Loans				51	20	15	0	-5	81
President Loans			59	22	27	14	8	-10	120
Wind Development (CPN)		53	25		2	.3	50	0	130
Solar			27	119	1	105	25	6	283
Community Benefit Agreement							92	125	217
Total		166	209	227	66	189	176	178	1211
Out-flow									
Payroll		83	142	117	87	105	133	130	797
Legal/Insurance/Accounting		22	61	49	20	19	18	16	205
Facilities & Marketing		31	28	12	15	12	20	30	152
Other		4		23	4	8.5	10	2	43
Net Investments							1		1
Total		140	231	201	126	145	176	178	1196
Cash Flow		26	-22	26	-59	44	-1	1	
Net Cash Flow		26	4	30	-29	14	14	14	

Richard Andre

President

Vineyard Power

Vineyard Power Solar

Company Structure

- Member owned electrical co-operative
- A 501 (c) 12 non-profit organization

Vineyard Power
Cooperative, Inc.

Vineyard Power
Solar, Inc.

- Wholly owned subsidiary of Vineyard Power Co-op, Inc.
- Bears legal and accounting responsibilities and obligations of solar projects
- Manages each project LLC

Vineyard
Power
Solar, LLC

Vineyard
Power Solar
II, LLC

Vineyard
Power Solar
III, LLC

Vineyard
Power Solar
IV LLC

Vineyard
Power Solar
V LLC

- Aquinnah Project
- 1% investment by VP Solar Inc.
- Cronig's Project
- 1% investment by VP Solar Inc.
- Cronig's Project II
- 1% investment by VP Solar Inc.
- Chilmark Project
- No ownership stake VP Solar Inc.
- MVB&G Club Project
- No ownership stake VP Solar Inc.

Commercial Scale Solar

- Completed four projects with installed capacity of 400kW
 - Aquinnah, Chilmark, Cronig's (VH) & MV Boys & Girls Club
 - Total project capital cost of \$2,800k
 - Project Development Income \$286k
- Currently offering Community Solar program
 - There are no up-front cost and on-going maintenance
 - Independent of solar orientation
 - Electricity price savings of 10%

Federal Offshore Wind Leasing Process

BOEM Development Timeline

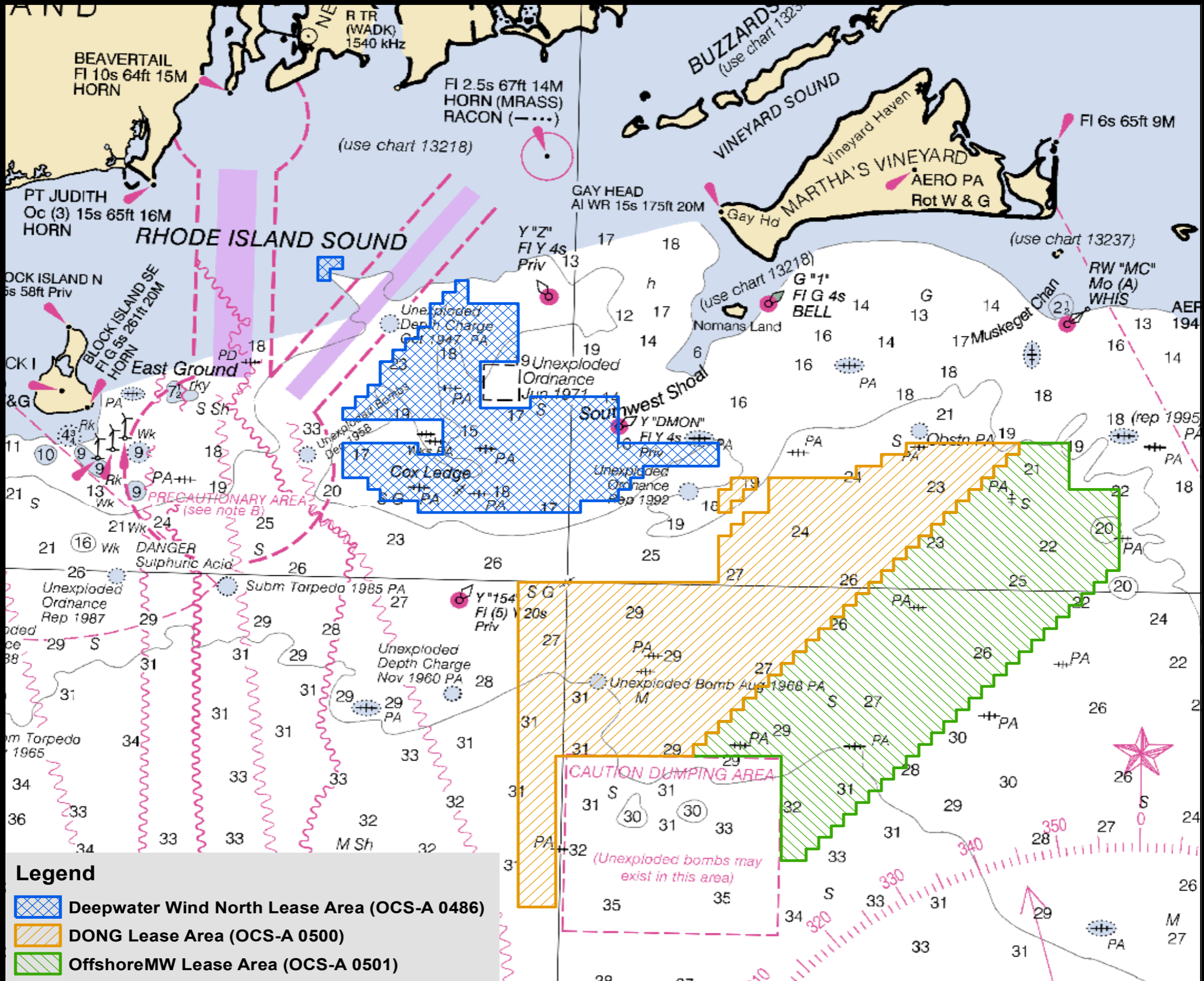
- **Phase 1** - Planning and Analysis 2009 – 2014
 - Determine the size and location of the WEA
- **Phase 2** - Lease issuance (competitive or non-competitive)
 - Final Sales Notice issued Summer/Fall 2014
 - VP recognized through Community Benefit Agreement
 - Competitive Auction held on January 29, 2015
 - Offshore MW and DONG were awarded leases
- **Phase 3** - Site Assessment and Characterization
 - Site survey work to begin in Fall 2016
- **Phase 4** - Commercial development
- **Phase 5** – 25-year term lease from commercial operation
 - Decommission plan must be included

Community Benefits Agreement




- In January 2015, Vineyard Power formally partnered with OffshoreMW, a company well experienced in the offshore wind industry, through the signing of a Community Benefits Agreement (CBA)
- The CBA is the first of its kind for offshore wind in the country
 - It essentially rewards larger developers for partnering with smaller grassroots organizations
 - The CBA made Vineyard Power an attractive partner to interested developers prior to the auction
- This partnership will aim to keep the benefits of offshore wind local as the project is developed and operated

Key Features of the CBA

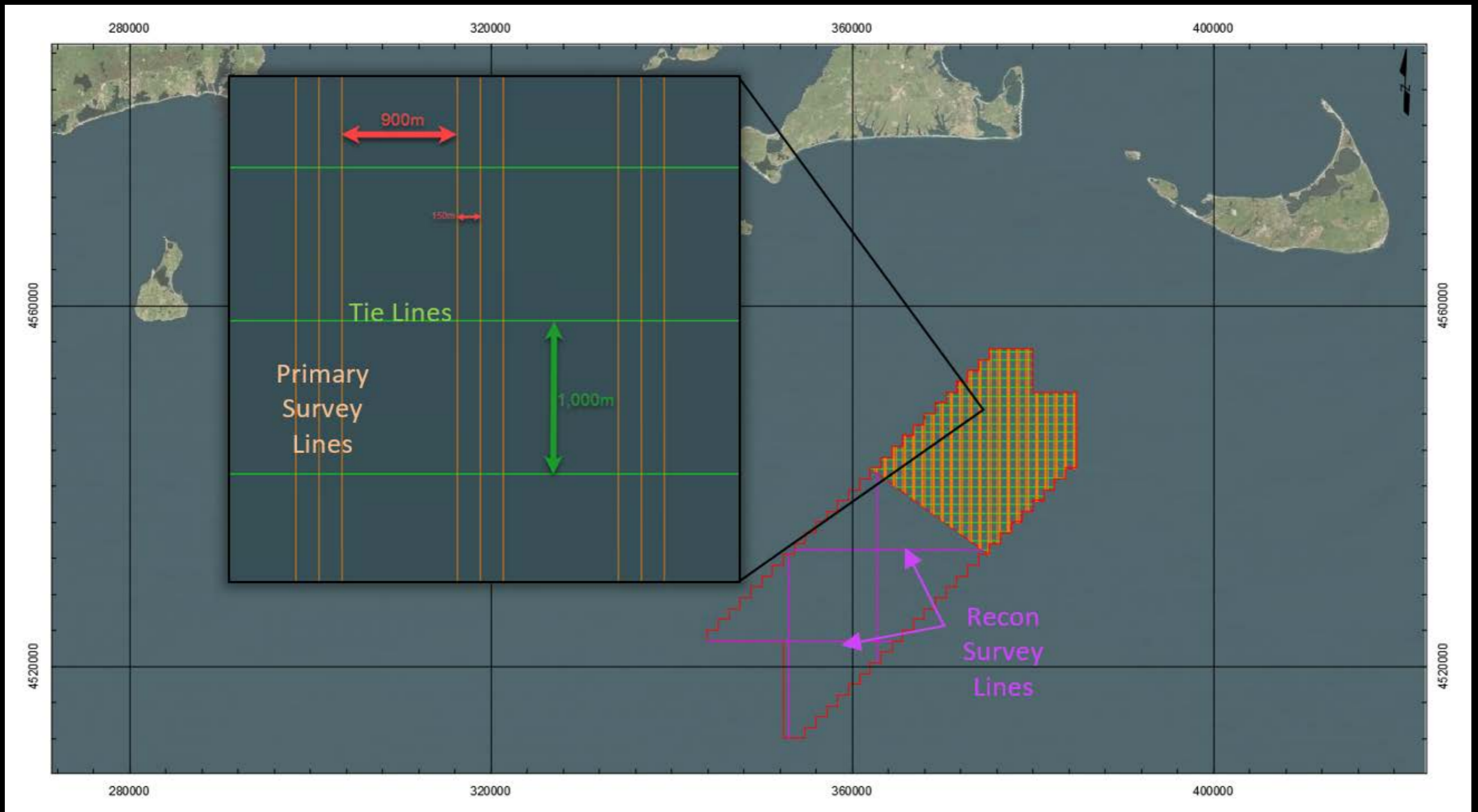
- Vineyard Power Obligations
 - Advocate & support offshore wind legislation in MA
 - Support the project through education & outreach
 - Provide advice & guidance to Offshore MW through permitting & financing process
- Offshore MW Obligations
 - Provide reimbursement for operation costs in 2015 up to \$100,000 increasing to \$200,000 in 2016
- Mutual Obligations
 - Investigate job creation opportunities on MV
 - O&M facility and ongoing administrative support
 - Investigate opportunities for a Power Purchase Agreement through Community Empowerment
 - Promote electric vehicles and heating systems
 - Investigate job training program at the High School



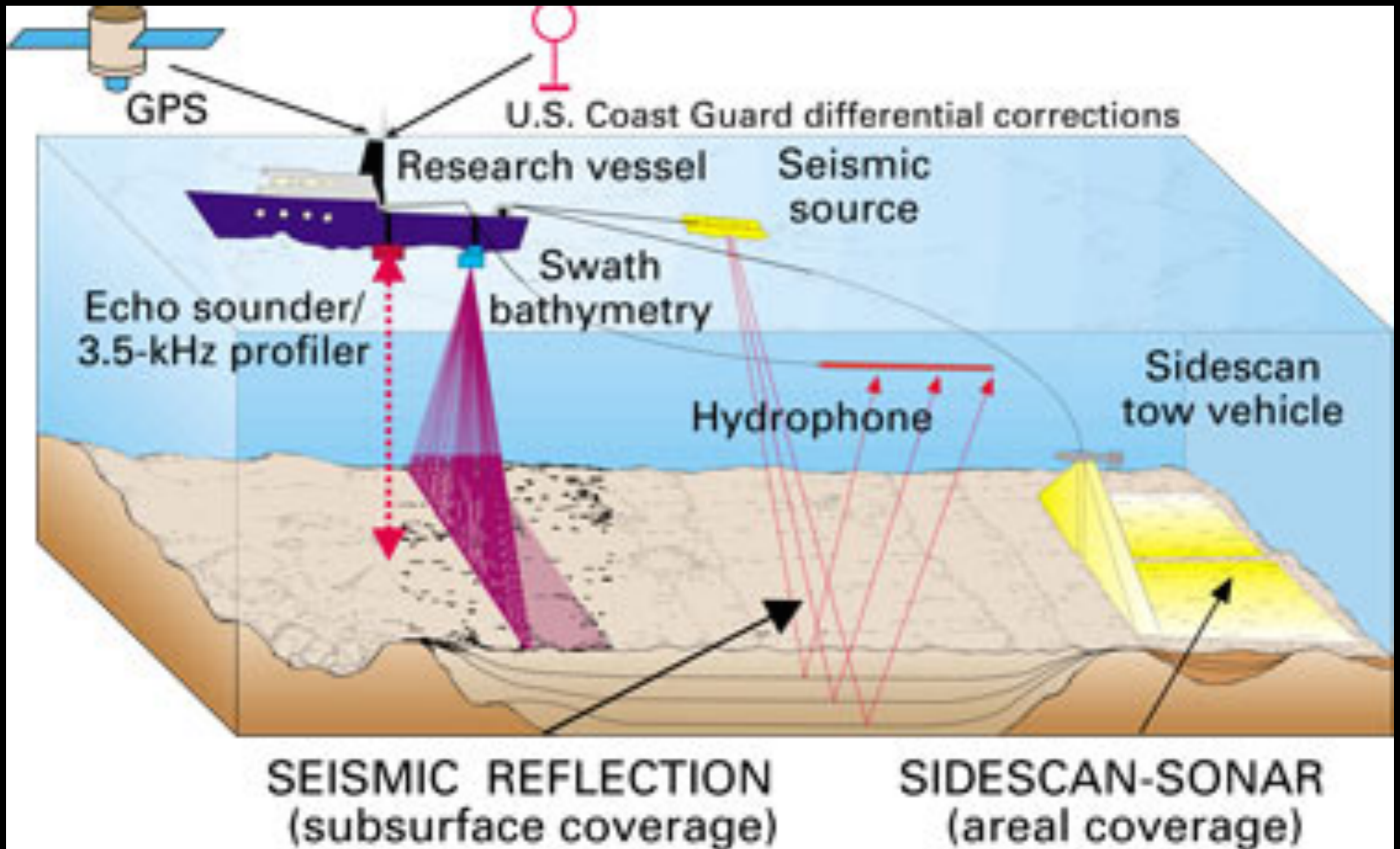
Legend

-  Deepwater Wind North Lease Area (OCS-A 0486)
-  DONG Lease Area (OCS-A 0500)
-  OffshoreMW Lease Area (OCS-A 0501)

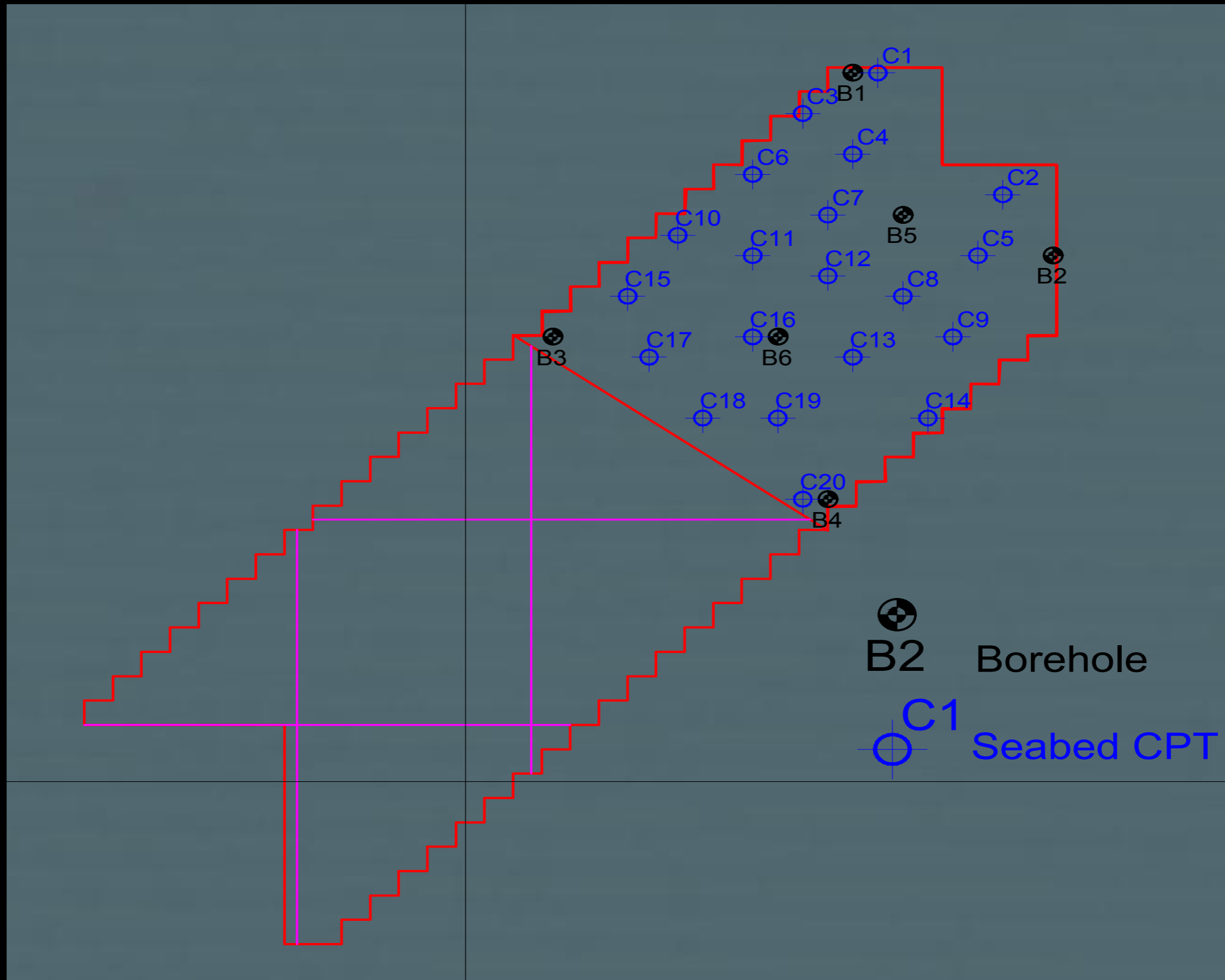
Site Survey Area



Geophysical Survey



Geotechnical Survey



Site Survey Mitigation & Outreach

- Fisheries
 - Building relationships and on-going engagement
 - Raise instrumentation to clear nets – static fishing gear
 - Avoid draggers and other mobile vessels
 - Real time communication
- Marine Mammals
 - PSO – Protected Species Observer
 - Exclusion zone (400m clearance)
 - Vessel speed limit (10 knots)
 - Night time operations (PAM, night vision goggles)
 - Additional lease provisions
- Native American Tribes
 - Historic Preservation Officer
 - Qualified Marine Archeologist

State Legislative Process

“An Act to Promote Energy Diversity”

- Requires utilities (Eversource & National Grid) to solicit 1,600 MW of offshore wind
- The first solicitation shall not be later than June 30, 2017
- All 1,600 MW shall be contracted by June 30, 2027
- Each solicitation shall be no less than 400 MW
- Allows for remuneration to utility companies of up to 2.75% of annual payments under contract
- Requires eligible projects to be more than 10 miles off the coast
- Each subsequent solicitation response must be at a lower price than the previous award

“An Act for Community Empowerment”

- Empowers cities & towns to use their residents' electricity buying power to support renewable energy projects of the community's choosing;
- Democratizes important decisions about where residents, and businesses, energy comes from and what types of energy projects they support, for the sake of their common future;
- Stabilizes electricity prices for community residents and businesses, for ten years or more;
 - Ability to purchase above RPS for community's residents, businesses and municipal buildings

CE Rationale and Reasoning

- We need more renewable energy projects to address climate change, energy security, and reliability
 - The main barrier to more projects is financing
 - Projects need long-term contracts with credit-worthy buyers
 - Federal and State level policies alone probably not sufficient to deliver
- Residents of MA are supportive of renewable energy, especially where there is a local benefit

Given above, we should also look to local initiative and capabilities as a basis for new policies to finance renewable energy projects.

How would CE work?

- I. Community makes the decision to enter into Community Empowerment contracts on behalf of all end-users in community
 - Decision process is same as under current law for Community Aggregation, MGL Chapter 164. Section 134
 - If a community decides “yes”, individual end-users can continue to choose whichever electricity supplier they want
- BUT**
- End-users cannot opt-out of the Community Empowerment contract after 90 day opt-out window
 - Town and school users automatically included

How would CE work?

2. Specific project decisions are per vote of community's governing body: the process is transparent and democratic
 - Anticipate that most towns will use Energy Committees, or existing Community Aggregator, and a transparent RFP process to select projects.
 - Communities can choose to cooperate with other communities in the state, so as to increase buying power
 - Requirements for public hearings and independent analysis
 - Community Empowerment technical assistance made available from DOER and oversight from DPU

How would CE work?

3. Contracts are on a “contract-for-difference” basis:

- Town and developer agree to a “*Strike Price*”: a fixed price per MWh
- Once operational the project sells its energy into the wholesale market “*Reference Price*”
- The difference between the wholesale price (“*Reference Price*”) actually received by the project and the “*Strike Price*” is charged - or credited - to residents on a per KWh basis
- This charge or credit appears as a line item on the distribution utility portion of the residents’ electric bills

Bill Lake

**Question & Answer
Session**

