



Mike Jacobs

*Chairman*

*Vineyard Power*

# Meeting Agenda

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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

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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 (7<sup>th</sup>) Annual Meeting of the members. At this meeting, the Cooperative will announce a new slate of four directors.

# Directors & Officers

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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
<b>In-flow</b>									
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
<b>Total</b>		<b>166</b>	<b>209</b>	<b>227</b>	<b>66</b>	<b>189</b>	<b>176</b>	<b>178</b>	<b>1211</b>
<b>Out-flow</b>									
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
<b>Total</b>		<b>140</b>	<b>231</b>	<b>201</b>	<b>126</b>	<b>145</b>	<b>176</b>	<b>178</b>	<b>1196</b>
<b>Cash Flow</b>		<b>26</b>	<b>-22</b>	<b>26</b>	<b>-59</b>	<b>44</b>	<b>-1</b>	<b>1</b>	
<b>Net Cash Flow</b>		<b>26</b>	<b>4</b>	<b>30</b>	<b>-29</b>	<b>14</b>	<b>14</b>	<b>14</b>	



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

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- 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

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- **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

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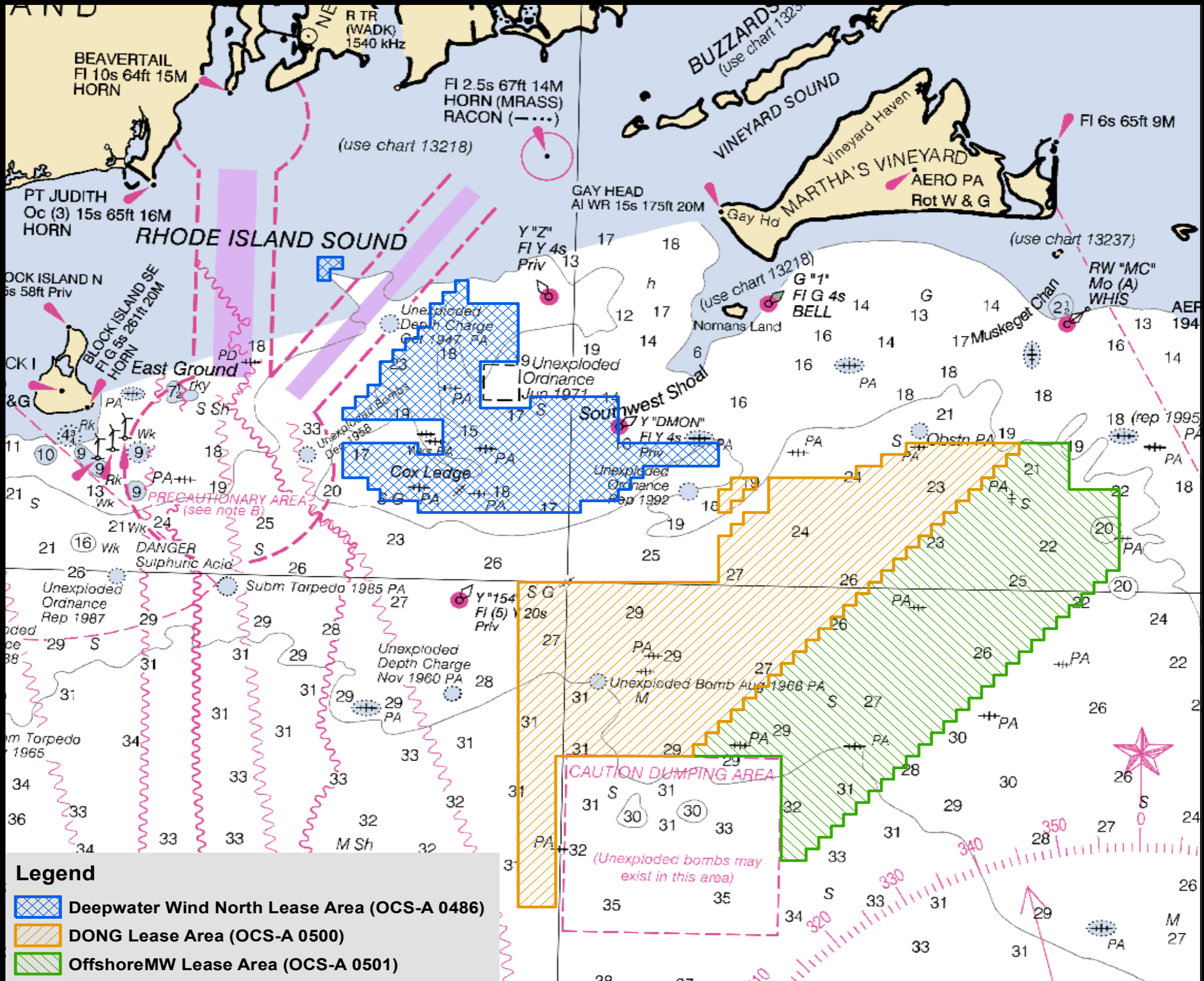
- In January 2015, Vineyard Power formally partnered with OffshoreMW, a company well experienced in the offshore wind industry, through the signing of a Community Benefits Agreement (CBA)
- The CBA is the first of its kind for offshore wind in the country
  - It essentially rewards larger developers 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




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- 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

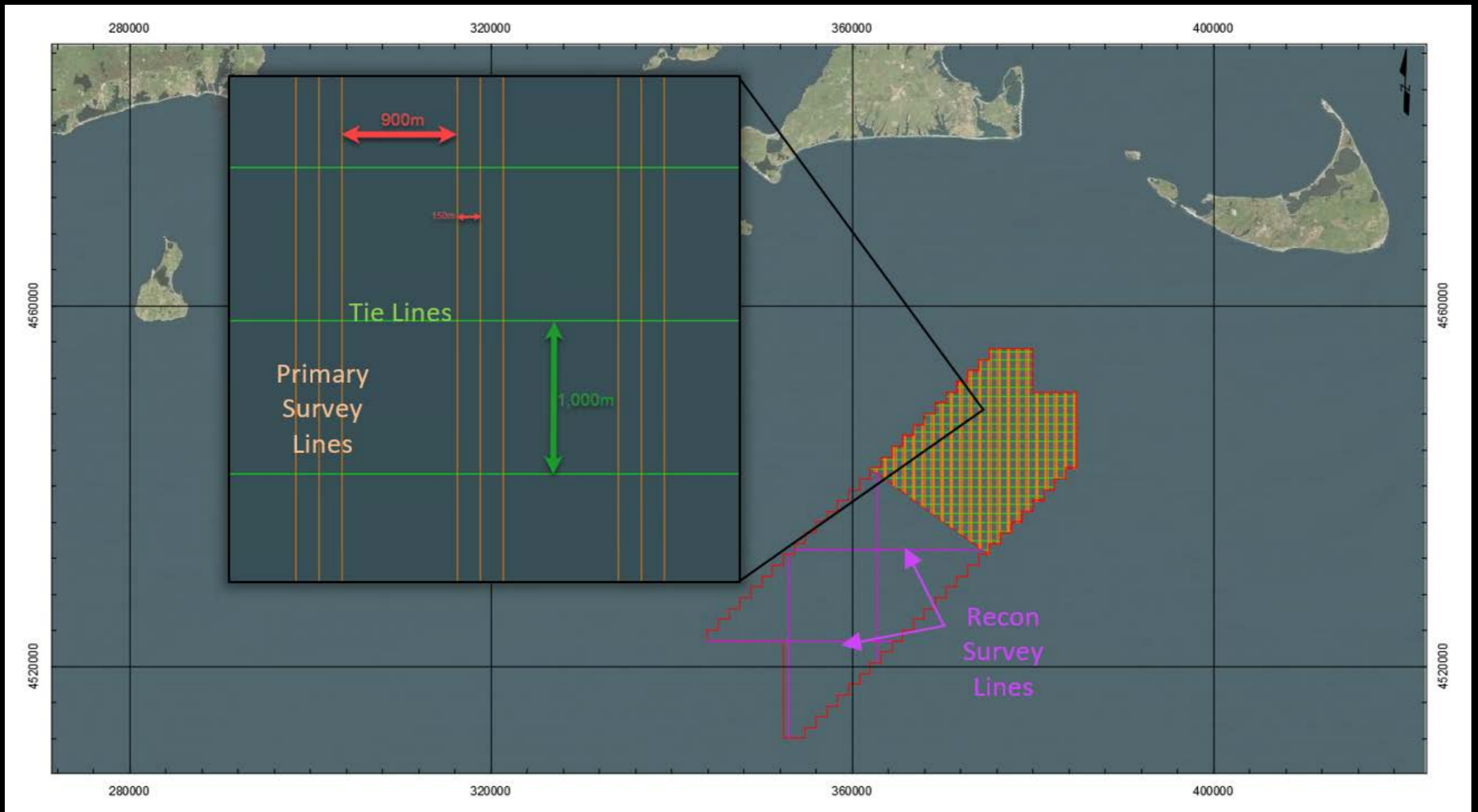




**Legend**

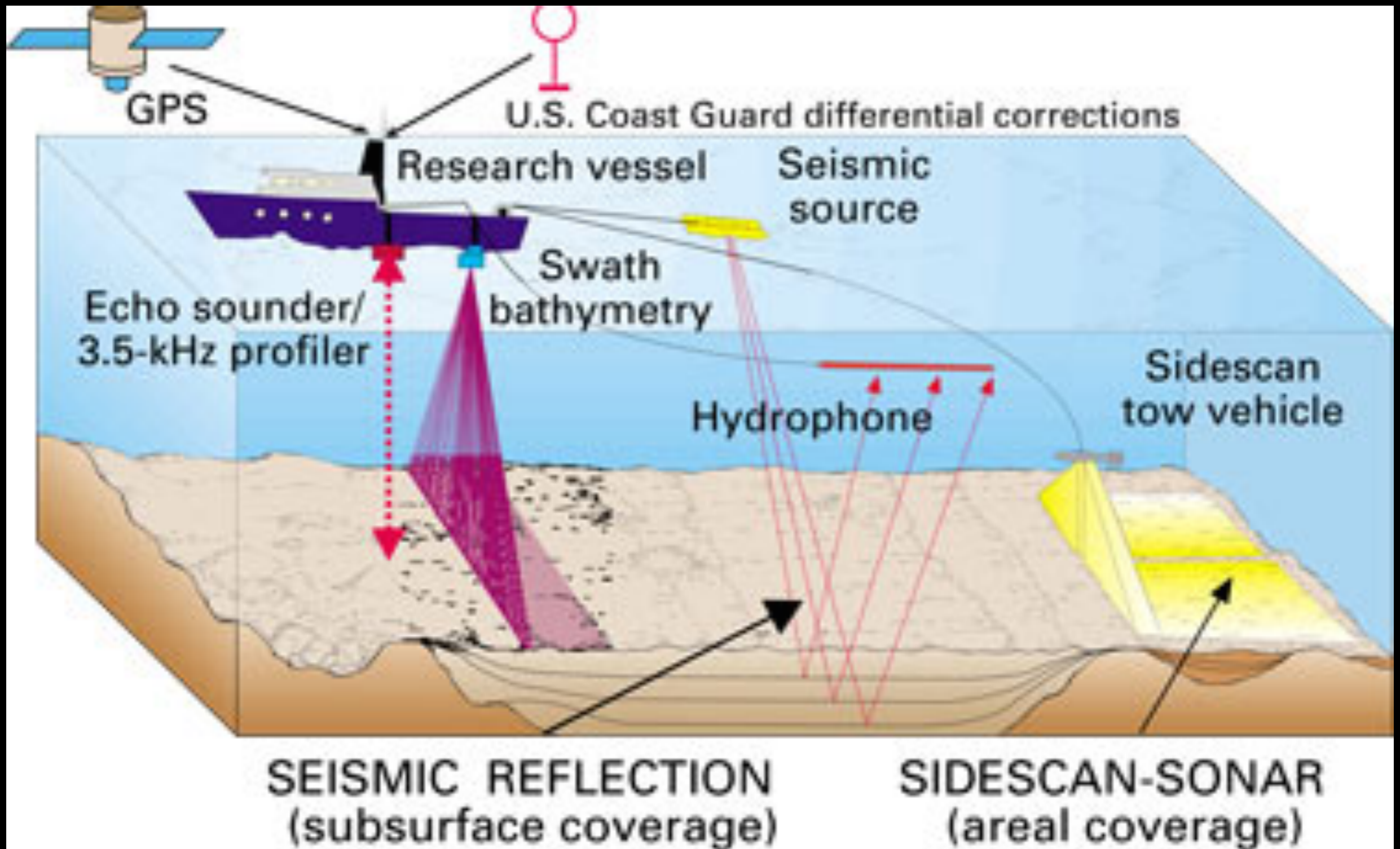
-  Deepwater Wind North Lease Area (OCS-A 0486)
-  DONG Lease Area (OCS-A 0500)
-  OffshoreMW Lease Area (OCS-A 0501)

# Site Survey Area

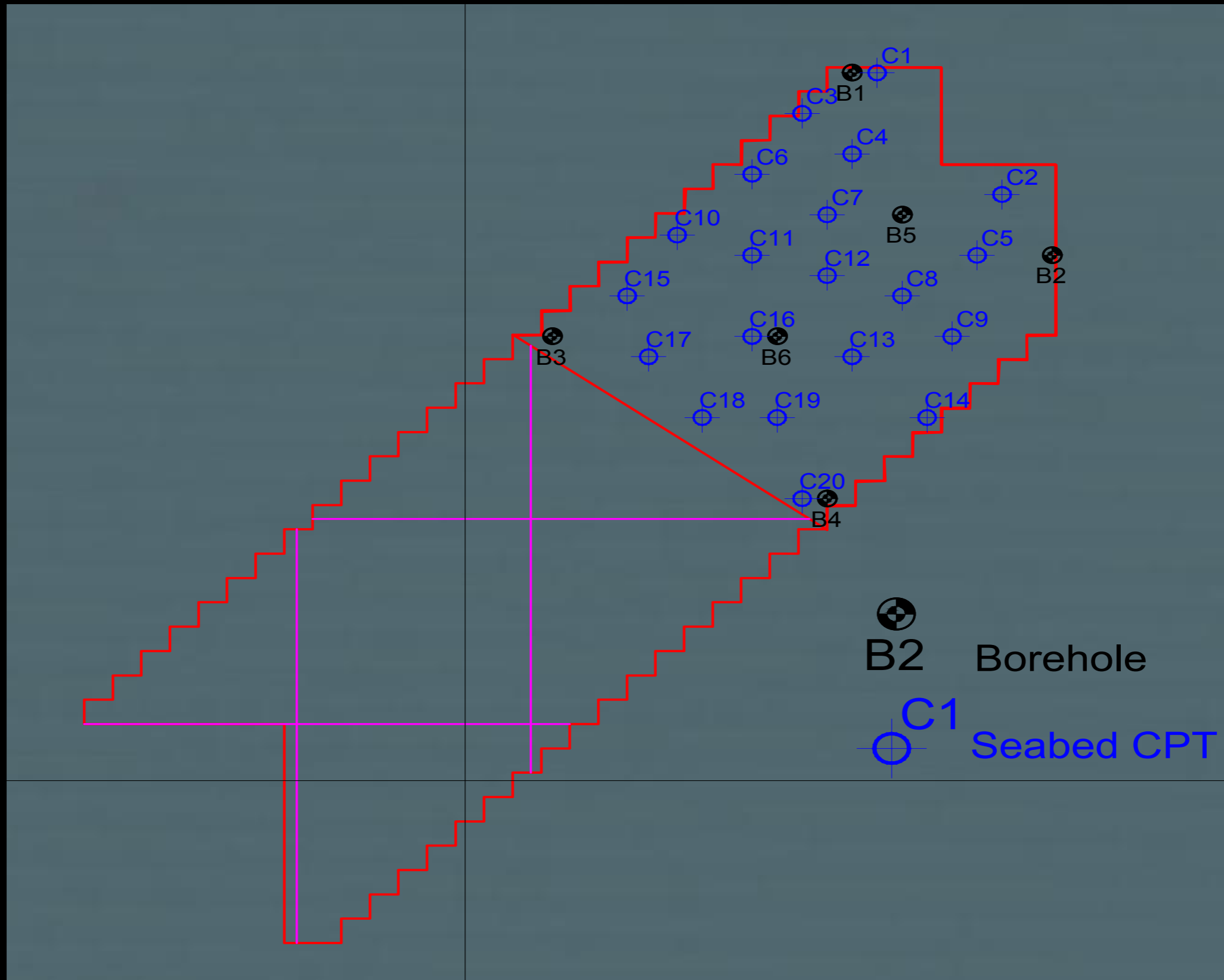




# Geophysical Survey



# Geotechnical Survey



# Site Survey Mitigation & Outreach

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- 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”

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- 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”

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- 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

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- 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?

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- 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?

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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?

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## 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**

