

# Monhegan Wind Power

July 31, 2009

## Questions and answers

- Why not other proposals?
  - Developer vs. community model
  - What is the role of the Island Institute?
- What happens next?
  - Approvals from state, federal agencies
- What about a cable?
- Why not wait a year?
- What are we voting on?

## Developer model

- Developer comes in and finances a project
  - Provides benefits to the community, usually in the form of tax revenues
  - Controls the project and sells power to the community at a contracted-for price
  - Community has little control over the design or implementation of the project
- The smallest developer-owned project in Maine is the 4.5MW project in Freedom

## Community Wind

- Project is developed, operated, and owned by the community
  - All of the control and all of the economic benefit flows to the community
  - Community participation and approval is an integral part of the project
- The whole purpose of the project is to capture *all of the benefits* for community rather than share them with a developer

## Community Wind

- Economically and financially viable
  - It has to work without grants, etc.
  - Not just environmentally beneficial
  - Contribute to the sustainability of the year-round community
- The community has to take on some of the pre-development risk

## Role of the Island Institute

- Helping sustain year-round island communities
  - Increasing energy costs have become a serious threat to many of the island communities
- Providing technical information about the feasibility of renewable energy alternatives
- Request from MPPD last summer for Island Institute involvement
- Provided funding for half of Phase 1 costs

## Other communities working with II

- Vinalhaven and North Haven
  - 4.5 MW project currently under construction
- Swans Island/Frenchboro
  - Exploring feasibility of 1.5 MW (?) project
- Discussions with Peaks, Chebeague, Isle au Haut, Matinicus
- Also with Blue Hill, Camden, Rockland

8/6/2009

Monhegan Q&A

7

## What happens next?

### Three-phase process

Phase	Time Frame	Cost	Financing
1: Feasibility	One year	\$56,000	50% MPPD 50% Island Institute
2: Pre-development	At least 9 months	\$150,000 - \$200,000	Individual investors or foundations
3. Construction and Operation	2 months	\$500,000 - \$700,000	Tax equity RUS loans CREBs....

8/6/2009

Monhegan Q&A

8

## What happens next?

- Raise \$100,000 - \$200,000 in pre-development investment
- Begin the design, permitting, and financing of the project
  - Turbine selection
  - Site selection
  - Assemble permanent and interim financing
  - Permitting

## RUS loan application

- Environmental review under NEPA
- Technical and engineering review
- Financial review
  - Is the project economically feasible?
  - Are there financial safeguards?
    - Insurance
    - Reserves
    - Escrows, etc

## State Review Process

- Led by LURC
- Also reviewed by:
  - Maine Department of Environmental Protection (DEP)
  - Maine Department of Inland Fisheries & Wildlife (IF&W)
  - U.S. Fish & Wildlife Service (U.S. FWS)

## State Review Process

- Requirements include:
  - Noise evaluation
  - Shadow flicker evaluation
  - Avian & bat monitoring
  - Environmental assessment
  - Public safety review
  - Scenic character evaluation
  - Decommissioning plan
- Outcome is a *Wind Energy Development Permit*

## How about a cable?

- 1997 estimate was \$1.8M
  - This will have gone up substantially by now
  - This was for a cable laid on the bottom, not buried
- Even if prices have not gone up:
  - Can't get tax equity investment
  - Debt service would be 44¢ per kwh
  - Plus the cost of the electricity
  - We currently generate electricity at 28¢ per kwh

## Why not wait a year?

- At least another 24 months of high and fluctuating electricity prices to the year-round community
- Additional studies will come at ratepayer expense
  - We cannot get pre-development investment without community support
- Uncertainty about federal subsidies/incentives increases
  - Stimulus money is available now

# What are we voting on?

## Monhegan Plantation Power District Wind Power Project

### BALLOT

In an effort to make electric power more affordable and more sustainable, the Monhegan Plantation Power District (MPPD) has spent the past year working with experts to consider an alternative to the island's diesel-dependent energy generation system. Initial analysis has produced a preliminary plan for a wind-tidal hybrid project with the following elements:

- Turbine capacity of approximately 100 kW
- Height of approximately 195 feet
- Location atop Lighthouse Hill on a parcel of land leased from Monhegan Associates, Inc.
- Financing via bonds through lease and fee equity investments
- Significant reduction in CO<sub>2</sub> and other greenhouse gases
- Potential to incorporate other renewable energy sources such as solar power
- Managed and operated by MPPD

Please check only one box:

- I support MPPD in proceeding with studies leading to the permitting, financing and construction of the project outlined above.
- I do not support MPPD's pursuit of this renewable energy project.

This ballot represents \_\_\_\_\_ of registered Monhegan voters.

Comments: