

Energy Advisory Solar Negotiation SubCommittee

Meeting Minutes

Date: July 11, 2013

Location: Town Hall, Conference Room 2

Attendees: John Schneider, Kerry Fuqua, Shaun Suhoski, Priscilla Gimas, Kenneth Elkinson

Guests: John Devillars (Bluewave), Eric Graber-Lopez (Bluewave), Beth Greenblatt (Beacon), Rick Holland (Kopelman & Paige), Bill Mitchell (Principal Assessor), Paul Murphy (Board of Assessors)

Absent: none

3:00 PM call to order

- Minutes
 - ✓ The Mass Dept. of Transportation (DOT) Solar project is underway – while the location is within the same MassDOT property as the municipal arrays the lease and purchase agreement are separate from the Sturbridge Solar project
 - ✓ EAC members discussed concerns that were raised at the town meeting including: (i) the 20 year commitment, (ii) the residential tax rate, (iii) the future of energy costs (as it relates to natural gas), and (iv) the view of the proposed solar site
 - i. 20 year commitment: B Greenblatt (consultant) and Attorney Rick Holland both shared their experience that essentially all similar solar agreements are 20-25 years. It was explained that it is not economically feasible for investors to invest in these projects for less than 20 years. B Greenblatt has worked various financial models showing best, middle, and worse case scenarios, and even in the worse case scenario for Sturbridge the purchase price will always be less than the net metering credit (with a credit value of \$60,000 in year 20).
 - ii. Residential tax rate: It was discussed that all of the financial decisions will ultimately impact the cost of energy to the town with the goal of minimizing the cost of energy. The Board of Assessors weighed all of the information in formulating their recommendation.
 - iii. Future of energy cost: B Greenblatt shared that while there is a future possibility of more natural gas sources, Sturbridge is currently at the end of the pipe, and while there is some talk about extending the pipe, it is most likely to be at least another five years or more before that occurs. Also natural gas prices are especially unstable in the Northeast due to

the need to add liquefied natural gas to the pipeline. It was pointed out that there is a deficiency in LNG to the Northeast region as the bulk of supply is currently being sent to Japan as a result of their nuclear power disaster and resultant needs. Over time, supply and demand will fix the price but this is most likely many years away.

- iv. View of the proposed solar site: The site plan includes setbacks as required by Sturbridge's bylaws and existing trees and forest around the solar panels. The Planning Board will address siting issues during their required Site Plan Review process.
- ✓ B Greenblatt shared her experience and her professional opinion is that the proposed deal (considering the energy cost, timeframe, and overall project) are a good deal for the town.
- ✓ It was discussed and agreed that it is critical that the town move quickly to benefit from the state caps for solar renewable energy credit; many of the various caps are near being met and even if they are extended they would not be as financially beneficial to the town. Bluewave's applications for Sturbridge have already been approved to benefit from the current programs, but the project needs to be completed according to the schedule. While it is critical to move forward quickly with a sense of urgency all agreements will be fully reviewed by the town attorney, assessor, and consultant.
 - i. The state solar renewable energy credit 2017 target has already been reached
 - ii. DOER program has already reached its 400 mw cap and has 150 mw in applications already in the queue
- ✓ B Mitchell expressed a need to see the specific land parcel that is being leased so that he can determine the tax impact
- ✓ A request was made to Bluewave to see the MA DOT agreements. It is important for the town to see the agreements to understand the impact to the land assessment and to confirm that the language in those agreements conforms with the Sturbridge agreements. E Graber-Lopez explained that MA DOT will not share them until they have fully reviewed them per their policy but that the terms sheet signed by MassDOT includes the exact same purchase pricing as does the Sturbridge agreement.
- ✓ E Graber-Lopez shared that a large percentage of the proposed land for the solar site is wetlands, and there are setbacks & vernal pools so the exact location of the solar panels is currently being determined. The site plan is still in flux due to these issues but E Graber-Lopez will distribute the current plan. The current design is for a 3.9 mw system but currently the land limitations may only allow for 3 mw. Further review of the land is being completed to identify additional space for more solar panels.
- ✓ Bluewave shared some of their timeframe goals that are critical to meeting the overall project deadline including the ISA, the permits, and the signed PPAs. All of these are in the project critical path.

- ✓ A motion was made by K Fuqua to request a three-board meeting with the EAC, the BOS, and the BOA to present the contractual proposals to the BOS with the intent of moving the agreements forward, Second J Schneider. Vote 5-0. P Gimas to confirm the date for the meeting with a suggested deadline of August 19 BOS meeting.
 - i. Prior to this meeting all agreements and supporting documents will be distributed to invited parties including the PPA, PILOT, Term Sheet, Beacon PPT and memo and site plan.
 - ii. Agenda will include:
 1. Introduction and address of town meeting concerns
 2. Beacon presentation of the proposed agreement and benefits to the town (including best, middle, and worse case scenarios)
 3. Legal considerations from R Holland
 4. Next Steps
- Action Items
 - ✓ S Suhoski to confirm any known issues related to the land are documented (this is ongoing collaboratively with BlueWave's environmental engineer, the Conservation Agent, Town Planner and DPW Director).
 - ✓ P Gimas to confirm the date for the three board meeting
 - ✓ S Suhoski to request agenda item and post meeting notices for EAC, BOS, and BOA meetings (pending proposed date from P Gimas)
 - ✓ S Suhoski to ensure distribution of materials for three board meeting prior to meeting date
- Meeting adjourned 5:30.