

# ***Cape & Vineyard Electric Cooperative, Inc.***

***Financing and Ownership Models for  
Community Scale Wind Projects  
Workshop***

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# Formation of the Cape & Vineyard Electric Cooperative

- Organized on September 12, 2007
- Three initial members: Cape Light Compact, Barnstable County and Town of Barnstable
- Private Letter Ruling Request from the IRS submitted in December 2007
- Private Letter Ruling issued June 9, 2008



# Objectives

- Maximize the economic benefits of projects through net metering of municipal load
- Projects developed, owned and operated by the Cape & Vineyard Electric Cooperative
- RECs, capacity and other benefits will stabilize electric rates for all Cape Light Compact customers
- Long term - develop electric generation projects or contracts over the next 10 years to stabilize electric rates for all Cape Light Compact customers



# Benefits of Joining the Cape & Vineyard Electric Cooperative

- Financing large scale renewable energy projects will not burden a Town's debt capacity
- Cooperative supported by the financial commitment of MTC's Community Wind financing package
  - Long term REC contracts at \$40/REC
  - REC's will be sold to Cape Light Compact at \$40/REC to stabilize electricity prices for all consumers
- Professional and technical expertise (\$\$) in the energy field
- Central contract for purchasing, operation and maintenance, and general administration



# Benefits of Joining the Cape & Vineyard Electric Cooperative

- Lower cost financing (Rural Utilities Service, potential financial backing with renewable energy trust funds)
- Electric Cooperative generally limits member liability exposure to member pledge or capitalization
- Benefits of proposed net metering law will bring financial savings to towns and consumers
- Develop projects that will benefit all ratepayers



# Scope of Authority of the Cape & Vineyard Electric Cooperative

- Law allows cooperative to, among other things: (1) purchase and own generation, transmission and other projects and property; (2) enter into contracts and incur liabilities; (3) borrow money, issue notes and bonds; (4) private/public collaboration (contractual); (5) purchase, sell and distribute energy; and (6) sell electricity to any consumer within cooperative member communities



# Key Issues Going Forward for the Cape & Vineyard Electric Cooperative

- Organizing the towns and counties on Cape Cod and Martha's Vineyard to develop projects collectively as opposed to individually
- Public education on renewable energy projects – benefits and costs
- Increasing prices of renewable energy projects



# Next Steps for the Cape & Vineyard Electric Cooperative

- Hold a meeting with Town Administrators/Managers and Town legal counsel to review Cooperative documents
- Informational meetings with Selectman and members of the public
- Assist Towns with appropriate authorization for joining the Cooperative





# Things to Consider When Choosing a Financial Model

- Know what your Town wants and does not want to do
  - Willing to take risk or not?
  - If so, what is the town's risk tolerance level?
  - What is the town's debt capacity?
  - What type of benefits is the town looking for?
  - Fully understand the responsibility of managing a wind project...and plan for what to do when the wind isn't blowing?
  - When in the energy capacity market, a town needs to have a comprehensive energy supply plan and forecast

