

**MA Wind Working Group**  
**June 25, 2008**  
**Q & A discussion notes**

Land royalty payments

- Determined on an individual basis as part of the land-lease agreement; wind industry standard is that 3.5% (gross) goes to the land owner

The new energy bill (Green Communities Act) - legislative changes

- Towns now have express power to own & operate power production
- Net-metering rules have changed, with caps increasing from 60 kW to up to 2 MW, depending on the categorization of the facility as Class I, Class II, or Class III. For more information on new net metering legislation, visit:  
<http://www.dsireusa.org/library/includes/tabsrch.cfm?state=MA&type=Net&back=regtab&Sector=S&CurrentPageID=7&EE=0&RE=1>
- MA Dept. of Public Utilities decides queuing of new generation facilities

Financial benefits of aggregating towns into one wind project

- Allows access to quality equipment/technology at better costs in time of limited supply
- Sometimes better to aggregate risk

Wind energy's use as an economic development tool

- "behind the meter" applications reduce on-site operating costs and yield highest value per kWh, e.g. Jiminy Peak
- Creative use of net metering can diffuse project opposition by offering cheap energy (poses question of what constitutes a "neighborhood" under new net metering regulations)

Federal Production Tax Credit (PTC)

- See IRS tax code Section 45
- If pursuing sole-ownership, need to find someone who can take advantage of PTCs
- Monetization of PTC is challenging, need to understand how to aggregate "tax appetites"
- When working with a developer, PTC issues should be part of service provided
- Not all projects will qualify

Pre-financing due diligence

- Includes wind resource assessment, interconnection agreement with utility, power purchase agreement, permit obtained
- MTC provides guidance
- Critical to subsequent financing