

Rocky Martin

Proposed Loan
To Purchase

From: Beth Allearth <bsengle@allearthrenewables.com>
Sent: Friday, November 13, 2015 3:19 PM
To: hinesburgpw@gmavt.net
Cc: rmartin@hinesburg.org; ppouech@allearthrenewables.com
Subject: Solar Tracker Purchase Proposal
Attachments: David's proposal For Town of Hinesburg.pdf

Dear Rocky and Phil,

I am attaching to this note the specifics of David's loan proposal.
Note that this would begin May 1, 2016
In 10 years the Town would achieve energy independence.

I remain available to you both as we move toward this exciting goal.
Best,
Beth

Beth Sengle
Sales Account Manager
AllEarth Renewables
94 Harvest Ln
Williston, VT 05495
802 878 9600 ext 134
C 802 343 3759

Town Of Hinesburg

PPA ends 11/29/2015

31 Trackers

Buy out Price Year 5 \$345,960.00

less Deposit \$344,960.00

Average Annual Production 234,808 kwh
Generating **\$46,962.00/year**

David's Porposal

10 yr loan at 5% (fixed) \$335,000.00

starting 5/1/16 \$3,553.19/month

\$42,638.28/year

Annual O&M \$2,973

Memo

TO: Selectboard, Joe Colangelo
From: Rocky Martin 
Date: April 10, 2012
RE: Solar Tracker Project Update

In November of 2010, 31 solar trackers were installed at the wastewater treatment plant under a Power Purchase Agreement with All Earth Renewables. The array was expected to produce 210,000 kWh per year; GMP credits were applied to water and wastewater accounts in a group net metering method. When this project started we were paying AER \$0.20 per kWh produced and got credits totaling \$0.19456 from GMP. We knew the project would cost about \$1100 a year if it produced 210,000 kWh, but felt it worthwhile to buy down the purchase price over 5 years. In July 2011 a new law took effect whereby GMP could credit our two biggest accounts (time of use or demand accounts) at about \$0.14 per kWh produced. In the 3 months it took to get this changed it made a big difference in the bottom line. Over the first year of production, the array produced 221,756 kWh and it ended up costing \$3,736 instead of the projected \$1100.

The accounts receiving the credits have been changed AND the credit from GMP has gone up to \$0.19887 so moving forward this project would cost about \$250 a year if it produces the same as it did last year. Per the Agreement with AER, we pay a fixed \$3500/month fee, this will be adjusted based on \$.20 per kWh annually if production varies by more than 10% of original estimate and final accounting will be done at the end of the 5 year term.

At the end of the 5 year term we can cancel the whole deal and AER takes over operation of the array or purchase it for approximately 1/3 of the installed cost (approximately \$346,000). Purchasing looks attractive now; we'll have 3 more years of data to look at by then to determine if it makes sense. If everything stays basically the same, an annual bond payment on \$346,000 would be less than credits from GMP—a positive cash flow.

Because this is an unusual project, Joan Holloway added a separate spot in the General Ledger to keep track of it. 330-2945-01.00 shows the monthly lease expense and 330-2945-02.00 shows the energy credits received from GMP. Needless to say some months are sunnier than others and array produces more so credits vary from month to month.

Memo

TO: Selectboard
From: Rocky Martin 
Date: April 13, 2011
RE: Solar Tracker Project
CC: Steve Button, Joe Colangelo

Background:

31 solar trackers installed at WWTP Oct-Nov 2010 through Power Purchase Agreement (PPA) with All Earth Services (AES). Project is net metered with Green Mountain Power (GMP); all power produced flows through one meter at small garage into grid. Basically a five year lease period, AES owns all equipment we buy power from them at \$.20 per kWh. GMP credits town accounts at current residential rate of \$.13456 and Solar GMP rate (solar adder) \$.06 per kWh produced; total credit \$.19456. (At current GMP rates we are paying \$.20-\$.19456 or \$.00544/kWh for power produced) Array is expected to produce 210,000 kWh per year, if so it will cost a total of \$1,142 per year. In Certificate of Public Good (CPG) application submitted to Public Service Board, I listed 5 meters to be in group as credits for power produced: Wastewater Treatment Plant, Wastewater Pump Station, Water Well House, Water Booster Pump Station (cemetery) and Water Lyman Meadows System. At Selectboard meetings last fall there was some discussion of this becoming a Town project not a Water/Wastewater project; meters listed in the group have not been changed. AES uses automatic bank account withdrawal for monthly payment, this was initially set up to be deducted from General Fund bank account. Missy and Joan changed monthly payment to be from Water/Wastewater bank account because credits were going to Water/Wastewater. Currently this is a Water/Wastewater project.

Issues to consider:

Meters listed (or accounts to be credited) in the group can be changed at any time.

All non W/WW GMP accounts together consume about 54,000 kWh/year, way less than anticipated output of 210,000 kWh/year. (See attached sheet of GMP accounts)

Difficult accounting both from GMP and Town if charges and credits comingled between General Fund and W/WW Funds.

GMP sends a master summary statement along with a Solar statement, from their end they apply solar credits to largest account and then go to next largest until credits used up.

GMP credits have to be used in calendar year; they don't write check for any unused credit.

Missy/Joan set up a GMP credit line item in the "Revenue" category, they suggest leaving everything as it is now for a year to see how this all shakes out; in future it could be possible to apportion part of this new credit line item from W/WW account to General Fund. But General Fund would also have to pay some of the charges.