

**WALWORTH TOWN BOARD – SPECIAL MEETING  
5 JANUARY 2015**

Presiding Supervisor Marini called the Town Board Special Meeting, County of Wayne, State of New York, held at the Walworth Town Hall, 3600 Lorraine Drive, Walworth, NY to order at 4:30 PM.

**PRESENT:**

Patricia Marini	Supervisor
Larry Ruth	Councilman
Vaughn Pembroke	Councilman
Suzi Hawkins-Mance	Councilwoman
Judy Markowski	Councilwoman
Susie Jacobs	Town Clerk

**OTHERS PRESENT:** Matt Hankey, New Energy Equity, Chief Operating Officer; Robert Raeman, Hunt Engineers, Architects, Surveyors, Senior Project Manager / Business Development; Jim Kurtz, RER Energy Group, President; Walt Pieschke, RER Energy Group, Renewable Energy Project Developer; Steven P. Metzger, Labella Associates, Vice President, Engineer for the Town, Don Young, Boylan Code, Attorney for the Town.

Round table introductions were made.

**SOLAR PRESENTATION:**

The following was presented and submitted:



**Solar Project Discussion**

Town of Walworth

January 5, 2014

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### New Energy Equity Overview



- New Energy Equity "NEE" is an end-to-end solar project developer
  - Initial feasibility and project development
  - Transaction execution and funding
  - Construction and commissioning
  - Operations & maintenance, asset management
- Focused on 100 kW (\$200K) - 5 MW (\$10MM) commercial and small utility scale distributed generation projects throughout the United States
- Headquarters: Annapolis, MD
- Management has led over \$60MM in total installed capacity
- Management has led over 35 solar transactions in 8 different states
- More than 50 years of experience developing projects in solar, telecom, corporate finance and construction
- NEE is performing co-development with a focus on grant submission, legal and financing. NEE will also provide financing for the installation

### RER Energy Group Overview



- Reading Electric founded in 1956
- 55+ employees
- 2000 moved to a 40,000 square foot facility
- 2009 formed RER Energy Group
- NABCEP Certified Solar Installers
- Serving markets of CT, DE, MD, NJ, NY and PA
- RER is co-developing the transaction with a focus on construction, engineering and grant submission



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### Solar Project Status Update



- RER Energy Group applied for and was awarded a NY-Sun Initiative Grant through the competitive PON 2956 Solar Grant Program
  - One of 142 projects awarded to various municipal, educational, and corporate entities throughout the State of New York
  - One of 5 project grants awarded to RER Energy Group
    - RER has finalized and executed Power Purchase Agreements "PPA" with 2 host customers and is in final stages of negotiation with the other two host customers
  - All project grants were awarded to development companies throughout the state, but they are directly tied to host customer sites
    - The majority (if not all) of the 142 transactions awarded will be financed through a PPA
  - NYSERDA has not released a final schedule for the next round of funding, however they have stated that the next round of fixed grants will be more competitive (lower) than the recent PON 2956 results
- New Energy Equity and RER Energy Group have completed a preliminary site evaluation and engineering plan for the installation
- New Energy Equity and RER Energy Group have submitted an interconnection application with RG & E which will study the impacts of the solar project on the surrounding electrical infrastructure
- New Energy Equity responded to a competitive solicitation by the Town of Walworth on October 24, 2014

### Solar Project Overview



- **System Size:** 1.56 MW Pole Driven Ground Mount
- **Estimated Production:** 2,010,000 kWh / Year
- The system will produce enough energy to power the equivalent of over 200 homes
- Solar installation will repurpose Town land that is currently leased for farming and provide significantly more financial benefit
- Same installation and financial structure as the Town of Williamson which is currently operational



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### Main Project Terms



- 25 Year Power Purchase Agreement and Site Lease
  - Renewal at option of the Town
- End of Term Options
  - Removal of the system at no cost to the Town
  - Renew the Power Purchase Agreement
  - Purchase the system at fair market value
- Capital Expenditure and Operational Costs
  - \$0 in initial capital expenditure
  - System owner will operate and maintain the system for the PPA/Site Lease Term
- System Warranties
  - Modules: 25 Years
  - Inverters: 10 Years, To be replaced at system owners cost around year 12 (if needed)
  - Racking: 10 Years, steel and aluminum

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### Solar Project Financial Savings



- The Town of Walworth will receive multiple financial benefits from the installation of a solar system
  - Electricity cost savings: **\$1,128,000** over 25 years
  - Predictable electricity costs for the portion of electricity purchased from the solar project
  - No initial capital expenditure or ongoing operational risks

Cumulative Estimated Electricity Payments & Savings (\$US)

Year	Total kWh	Electricity Rate	PPA Rate	Estimated Net Metering Credit	Solar Electricity Cost	Cumulative Savings
Year 1	2,010,000	\$0.1008	\$0.0899	\$207,608	\$180,699	\$21,909
Year 2	1,999,950	\$0.1038	\$0.0921	\$207,643	\$184,290	\$45,291
Year 3	1,989,950	\$0.1069	\$0.0945	\$212,803	\$187,953	\$79,111
Year 4	1,980,000	\$0.1101	\$0.0968	\$218,091	\$192,689	\$96,513
Year 5	1,970,100	\$0.1135	\$0.0992	\$223,510	\$196,499	\$124,525
Year 6	1,960,250	\$0.1169	\$0.1017	\$229,065	\$199,384	\$154,206
Year 7	1,950,449	\$0.1204	\$0.1043	\$234,757	\$203,347	\$185,616
Year 8	1,940,697	\$0.1240	\$0.1069	\$240,591	\$207,388	\$218,818
Year 9	1,930,993	\$0.1277	\$0.1095	\$246,569	\$211,510	\$253,877
Year 10	1,921,338	\$0.1315	\$0.1123	\$252,697	\$215,714	\$290,800
Year 11	1,911,731	\$0.1355	\$0.1151	\$258,976	\$220,001	\$329,834
Year 12	1,902,173	\$0.1395	\$0.1180	\$265,412	\$224,374	\$370,872
Year 13	1,892,662	\$0.1437	\$0.1209	\$272,007	\$228,833	\$414,046
Year 14	1,883,199	\$0.1480	\$0.1239	\$278,766	\$233,381	\$459,431
Year 15	1,873,783	\$0.1525	\$0.1270	\$285,694	\$238,020	\$507,105
Year 16	1,864,414	\$0.1570	\$0.1302	\$292,793	\$242,750	\$557,148
Year 17	1,855,092	\$0.1618	\$0.1335	\$300,069	\$247,575	\$609,643
Year 18	1,845,816	\$0.1666	\$0.1368	\$307,526	\$252,496	\$664,673
Year 19	1,836,587	\$0.1716	\$0.1402	\$315,168	\$257,514	\$722,327
Year 20	1,827,404	\$0.1768	\$0.1437	\$323,000	\$262,632	\$782,695
Year 21	1,818,267	\$0.1821	\$0.1473	\$331,026	\$267,852	\$845,869
Year 22	1,809,176	\$0.1875	\$0.1510	\$339,252	\$273,175	\$911,946
Year 23	1,800,130	\$0.1931	\$0.1548	\$347,683	\$278,605	\$981,025
Year 24	1,791,129	\$0.1989	\$0.1586	\$356,323	\$284,142	\$1,053,205
Year 25	1,782,174	\$0.2049	\$0.1626	\$365,177	\$289,789	\$1,128,593
<b>Total</b>				<b>\$6,907,207</b>	<b>\$5,778,613</b>	

Note: Assumes a 2.0% yearly grid escalation, and a 2.0% yearly PPA escalation

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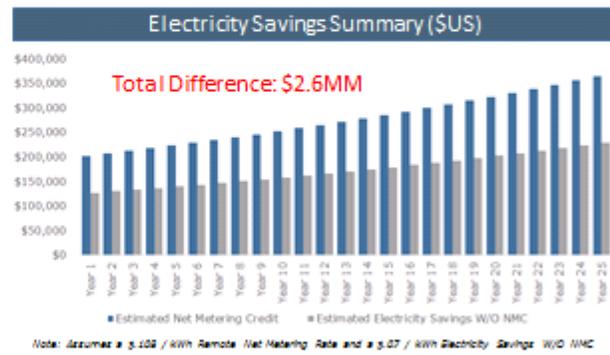
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**New York State Virtual Net Metering**



- NY State PSC ruled on December 15, 2014 (Case 14-E-0151 and Case 14-E-0422) that all projects not already approved as part of PON 2956 will not be approved for monetary Remote Net Metering
  - Reduces the potential solar electricity credit by almost 35%
  - Reduces cumulative electricity savings to a point where the transaction would not be beneficial to Walworth



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Discussion ensued.

**ADJOURNMENT:**

Motion by Councilwoman Hawkins-Mance to adjourn.  
Seconded by Councilman Ruth and unanimously carried.  
Time: 6:07 PM.

Respectfully Submitted,

Susie C. Jacobs, MMC, RMC  
Town Clerk