

Green Community Committee

Meeting Minutes for March 6, 2012 – Approved March 22, 2012

Location: Ayer Police Station Community Room

Members Present: Carolyn McCreary (CM), Allan Wilson (AW), David Maher (DM), Ted Staples (TS)

Also Present: Patrick Marr (PM), Emma Kosciak (EK)

Not Present: Faith Salter, Jeremy Callahan, Robert Pontbriand

APAC taped: NO

7:10 PM – Open Meeting

- Status update on Green Communities Initial grant
 - \$78,000 has been received by the town
 - Big Belly solar compactor and signs have been ordered
 - Conversion from oil to gas at DPW pump station – gas line in, pump ordered
 - Automated controls in town hall
 - going out to bid on 3/7
 - bids close 3/23
 - choose proposal evaluation team: Robert, AW, Dan Sherman
 - approval by BOS expected April 3
 - Street lights: test lights approved. Dan Nason will get and install LEDs next week
 - Exterior lighting of Police and Fire – Dan Sherman in charge. Expected next week
 - Smart strips – Cindy Knox will order them
- Solarize Massachusetts
 - DM presented summary of application and Green Community Contract
 - After a discussion of the benefits to the town and the commitments required, as well as GCC's focus on the town solar project, consensus was reached that the GCC does not have the resources to lead this effort.
 - MOTION: If there are at least 20 residents respond to the Solarize Survey Monkey and if at least 2 residents in addition to CM agree to take responsibility for the project, we will submit the application.
 - Passed unanimously
- Net Metering Partnership
 - Richard Kleiman of Sage Stone presented the concept of net metering and the power purchase agreement
 - Discussion followed the presentation in which the GCC was

- Generally favorable to such a partnership – a low risk, good benefit access to solar for the town.
 - Please with the time line presented
 - Below are the next steps outlined by EK
- Next meeting – March 20, 7:00
- Adjourn – 9:25

Net Metering Credit Proposal

Sage Stone Solar

March 6, 2012

Ayer Green Communities Committee

Next Steps

- Deadline:
 - April Warrant
 - May Town Meeting
- Carolyn
 - Discuss With Robert and propose to GCC how to handle Chapter 30B RFP exemption or advise if we should go to RFP
 - Send Emma Cindy Knox contact information
- Emma
 - Track down National Grid Electric Bills
 - Provide list of competitors for Ayer to call and invite in for a quote
 - Create and disperse “Solar Developer Net Metering Credit Comparative Matrix” as a tool to track offers and selection criteria
 - Make a checklist of the steps needed to get to contract execution and financial savings
- Allan
 - Pursue MEI data verification with DOER
- No Task Assigned Yet:
 - Call National Grid to find out if and how Ayer can convert to Consolidated Billing

sage stone



Presentation to Ayer
March 6, 2012



Sage Stone Background

- Sage Stone LLC is an international energy development and investment advisory company.
- Extensive experience in energy project development, analysis, finance, mergers and acquisitions (M&A), and strategic partnering.
- Sage Stone principals and their associates have a proven track record of success on several billion dollars of energy project capital and 5,000+MW of power project development experience.



Proposed Net Metering Partnership with Ayer

- Sage Stone is developing utility scale solar and wind projects in partnership with nine municipalities in Massachusetts.
- These projects “net meter” the power produced to the NGrid/NStar distribution system and allocate the net metering credits to the municipality, consistent with state law, regulation and tariff.
- Our Ayer project on Nemco Way is now ready for construction.

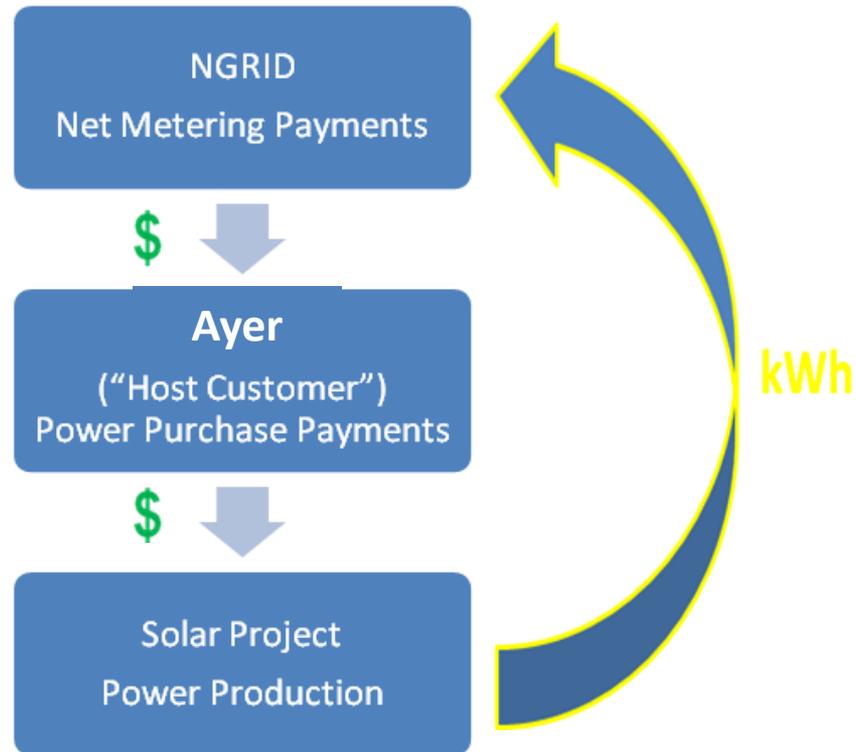


Community Benefits

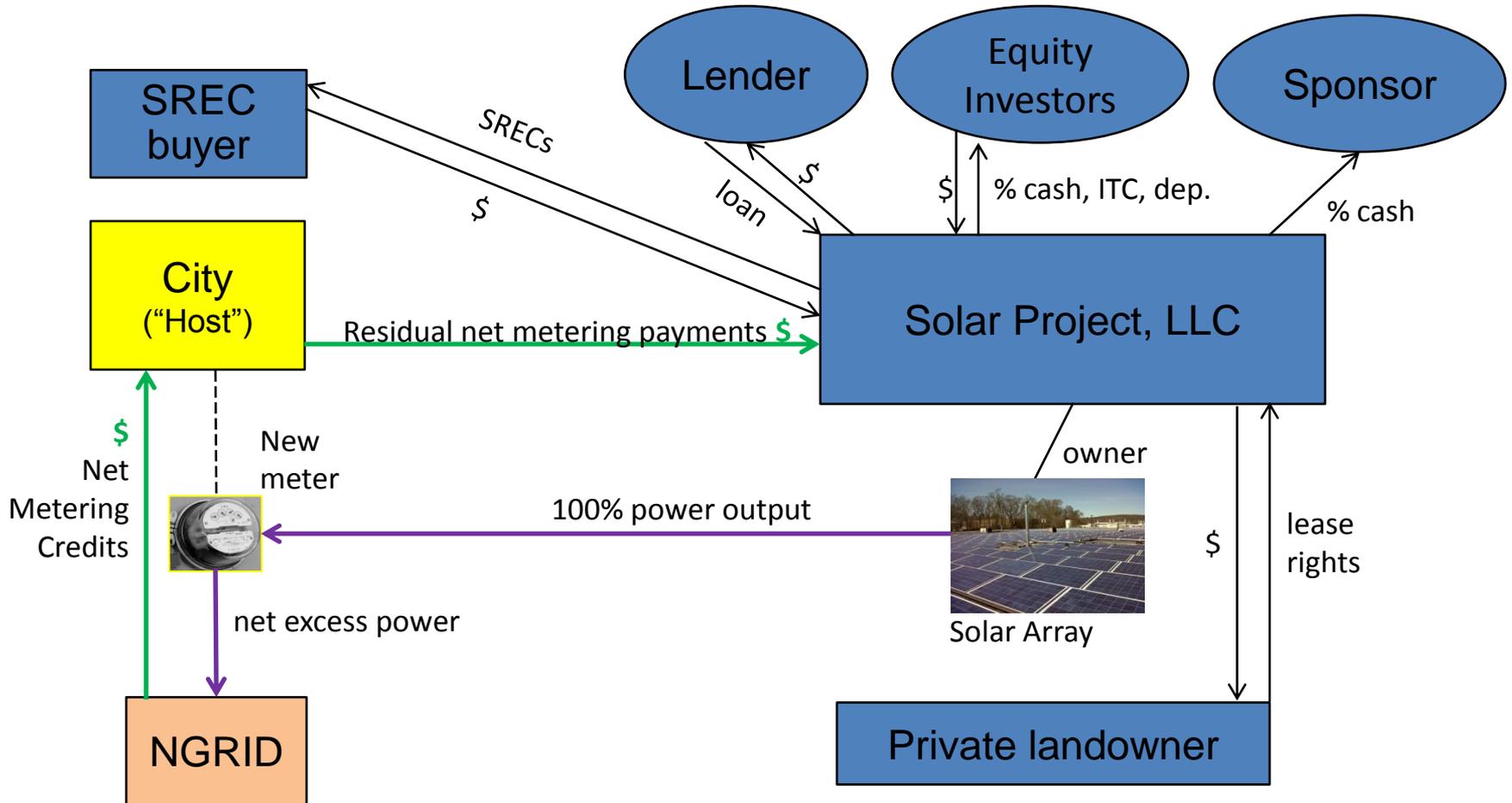
- New Town revenue/savings for 25+ years:
 - Town receives **Net Metering payments**
 - Town's role limited to receiving and disbursing Net Metering Credit revenues (strictly administrative)
- Advance Town's clean energy mission.



About Net Metering



Proposed Project Structure



Allocation of Net Metering Credits

- Sage Stone designs, permits, finances, constructs, owns and operates the solar project behind new NGrid meter(s) and delivers solar electricity directly to NGrid distribution system
- Town serves as “Host Customer” of solar facility – NGrid account holder for electric meter behind which solar project resides (this would be covered in the Power Purchase Agreement)
- Solar electricity is delivered to NGrid in exchange for net metering credits, consistent with the MA Green Communities Act and Net Metering Regulations
- Sage Stone allocates 100% of net metering credits to Town’s NGrid accounts
- 1kWh = 1 net metering credit (\$)
- Net metering credits are dollar (\$) denominated and used to offset NGrid charges on Town’s NGrid utility bills (like a gift certificate which can be used to reduce the Town’s NGrid bills)
- The electricity price paid by Ayer to Sage Stone is calculated so that Town retains 10% of the value of the credits for the first five years and 20% thereafter (i.e., for every 80/90 cents Town pays for net metering credits, it gets credits that allow Town to buy \$1 worth of electricity service from NGrid, so Town effectively gets a 10%/20% discount on its NGrid utility bills)
- Town receives a new 25+ year revenue stream projected at \$2,700,000 for enabling a renewable energy project but incurs none of the risks associated with developing, owning or operating such a project



SOLAR PROJECT
Estimated Benefit to Town

Project Location	Project Size	Estimated Energy Production (kWh/yr)	Current NGrid Net Metering Rate (\$/kWh)	Initial Annual Value of Net Metering Credits Produced (\$/kWh)	Town's Share (%)	Estimated Annual Energy Revenue to Town	
Ayer	2.0 MW	2,690,000	\$ 0.15	\$ 403,930	10%	\$ 40,393	Years 1-5
					20%	\$ 80,786	Years 6-25

Projected 25-Year Revenue Stream to Town*

2012	10%	\$ 40,393
2013	10%	\$ 41,605
2014	10%	\$ 42,853
2015	10%	\$ 44,139
2016	10%	\$ 45,463
2017	20%	\$ 93,653
2018	20%	\$ 96,463
2019	20%	\$ 99,357
2020	20%	\$ 102,337
2021	20%	\$ 105,408
2022	20%	\$ 108,570
2023	20%	\$ 111,827
2024	20%	\$ 115,182
2025	20%	\$ 118,637
2026	20%	\$ 122,196
2027	20%	\$ 125,862
2028	20%	\$ 129,638
2029	20%	\$ 133,527
2030	20%	\$ 137,533
2031	20%	\$ 141,659
2032	20%	\$ 145,909
2033	20%	\$ 150,286
2034	20%	\$ 154,794
2035	20%	\$ 159,438
2036	20%	\$ 164,221

TOTAL \$ 2,730,949

Financial Benefit to Town

* 3% annual escalation assumed



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