

METF Community Meeting: Update and Q & A

December 13, 2016

Present: Mott Feibusch, Carley Mayhew, Jane Cullen, John Murdock, Chris Smith, Joan Brady, Matt Weber, Mary Weber, Tara Hire, Ronnie Short, Jackie Boynton, Billy Boynton, Kathie Iannicelli, Mel Greatorex, Stew Way, Richard Farrell, Darik Farrell, Doug Boynton, Alison Hill, Lucas Chioffi, Jenn Pye, Victor Lord, Andrew, Jennifer, Mandy Metrano, Dylan Metrano, Greg Rollins, Travis Dow, Paul Hitchcox, Pam Rollinger, Jessica Stevens, Jim Balano, Chris O'Neill, Winnie Murdock, Marian Chioffi, Jake Ward and Nate Johnson from MAV, Jon Pottle and Andy Hamilton from Eaton Peabody, Laura Singer (facilitator)

Via Zoom Link: Ruth Zachary, Glenn Burdick, Frank Stettner, Richard Nelson, Ben Odom, Elizabeth Johnston, Ben Algeo, Frederick Faller, Casey Court, Jaye Morency, Sue Hitchcox, Beth Van Houten, and Andrew Fenniman

Welcome and Introduction:

Laura Singer, a consultant facilitator hired by METF, outlined the two purposes of the meeting and suggested guidelines the discussion.

Purpose

- To bring community members up-to-date on the NEAV/MAV project and the work done by the Community Benefits Advisory Committee (CBAC) and provide an open forum for Q & A.

Guidelines

- All Voices Heard
- Actively Listen
- Assume Good Intentions
- Focus on Fact, Not Personalities
- Seek Clarification
- Speak for Yourself
- Take Responsibility for Your Own Learning
- Minimize Distractions
- Neutral Facilitator and Report Out

Introduction of Community Benefits Advisory Committee:

Tara Hire provided an update on the Community Benefits Advisory Committee (CBAC), which was formed as a result of the town referendum vote in July. The Committee is charged with providing the Assessors with recommendations for obtaining the necessary professionals to negotiate a community benefits agreement; to oversee the development of the benefit document; to give a progress report at the monthly Assessors' meeting. The community benefits agreement will be presented to the Plantation residents for a vote to authorize the Assessors to enter into an agreement with MAV. The town also authorized spending \$10,0000 of the Emily T. Farrell fund to hire professionals.

Members of the committee are:

- **Tara Hire**, 1st Assessor and owner of Monhegan Wellness, t_hire@yahoo.com
- **Greg Rollins**, 3rd assessor, shipcarver@outlook.com
- **Winnie Murdock**, METF member and co-owner of Shining Sails, info@shiningsails.com
- **Chris Smith**, MPPD representative and lobster fisherman, chris@monheganpower.com
- **Jaye Morency**, co-owner of the Island Inn and financial management consultant, jaye.morency@gmail.com
- **Amy Zaref**, summer visitor to Monhegan and familiar with NEPA process amy.zaref@gmail.com
- **Fred Faller**, summer resident of Monhegan and mechanical engineer with ZOLL Medical Corp. in Massachusetts, ffaller@verizon.net

Community Benefits Negotiation Process:

Andy Hamilton and Jon Pottle from the law firm Eaton Peabody in Bangor have been hired by the Monhegan Plantation to advise the CBAC on negotiating for community benefits with MAV. Andy and Jon have both worked with communities on various issues (municipalities and land owners) such as water/septic, wind on land, preservation of Mill Pond, renewable energy and environmental law. They like to know what a community wants in the negotiation process and enjoyed a visit to the island in September. They have consistently heard the words “Sustain Monhegan”. Jon worked on the Kibby wind project (north of Sugarloaf) to help the community figure out benefits. The host community was seeking taxes and other benefits from the project.

Andy made it clear that the engagement letter is with the Monhegan Plantation. The Bar is unambiguous on this matter. The legal counsel is responsible only and exclusively to the client, no matter who pays the bill. The client is the Monhegan Plantation.

Andy and Jon were given a tour of new MPPD facilities by Chris and were quite impressed with the achievements made there with the new generators. The benefits agreement with MAV needs to be crafted to interface with what MPPD has just completed. Their role is to help define and articulate the needs of the community. There needs to be clarification on who talks for the group. The economic benefit community discussion should be with the attorneys.

Andy is not convinced that the developer has provided enough information about the cable offer and the alternative funding offer. The benefits should address the community needs.

What does Monhegan need? There should be transparency in defining the needs and ultimately the voters will shape the decision. They stated that the benefit agreement is never going to make everyone happy and should not be skewed to one group but be about the sustainability of the community with an opportunity for a win/win. It has to be give and take.

There are a number of constituencies – assessors, MPPD board, METF and CBAC involved in the process. It is important not to divide the community and stay together. To use the community’s time and energy for good by bringing people together to discuss common goals.

Andy and Jon will look at deal structures and agreement structures. There needs to be a clear line of communication. The ultimate agreement that is negotiated will be 3-way – MAV, MPPD and Monhegan Plantation. Andy and Jon need to clearly understand the directive from the community to be able to negotiate effectively and reach the benefit targets. We can't determine the developer's schedule, but we do need to know it.

The Maine PUC created the term sheet after significant notice and opportunity for public comment.

Protect Monhegan:

Travis made a statement on behalf of Protect Monhegan. He stated that they have the support of over 50% of the registered voters on Monhegan. Their objective is to relocate the site out of Monhegan's protected zone. They are not against renewable energy but just the siting of this project. They believe the project will negatively impact the island and ruin Monhegan's way of life. MAV is dividing the community. The University of Maine Counsel took five months to respond to Protect Monhegan's Freedom of Information Act (FOIA) request stating that compiling the information would cost \$10,000 and asked for a \$7,000 deposit. Visit the Protect Monhegan Facebook page for updates.

NEAV/MAV Update on Project Progress and Timeline:

MAV handed out a document that provides an update on the project. It can be found on METF's website at http://www.monheganenergy.info/wp-content/uploads/2017/01/Monhegan-Dec2016_FINAL.pdf

Jake Ward gave a general schedule of the project.

2016-2017	Complete 100% Project design as well as associated construction, operation, and maintenance grid interconnection and financial plans.
February 2017	U.S. DOE NEPA Public Scoping Sessions
Spring 2017	Conduct additional ecological studies, secure all appropriate permits
Spring 2018	Start VoltturnUS platform fabrication
Spring 2019	Install onsite anchors, lay cable
Fall 2019	Install floating hull/turbines at test site

Jake stated that this is a demonstration project to capitalize on Maine's natural wind resources. It is being done locally with major components built in Maine and he believes it is environmentally compatible with Maine's resources. MAV has an economic commitment to Monhegan. The original term sheet approved by the Maine Public Utilities Commission (PUC) is for cable with fiber optics.

MAV was originally selected as an alternate for Department of Energy (DOE) funding but has now been selected to received \$39.9 toward construction of project if they meet milestones set by DOE. DOE is one of the investors in this \$200 million project. Within the next year, MAV plans to get bids on the components for the turbines and work on permitting.

Compliance with the National Environmental Policy Act (NEPA) is a requirement for all federal funding, including the DOE funding. DOE needs to complete an environmental assessment (EA). The NEPA process takes 12-18 months and there are opportunities for public input during this process. DOE will visit Monhegan during the scoping process later this winter, likely in February. The NEPA website will also accept comments.

The direct URL for this project on DOE's website is: <http://www.energy.gov/nepa/ea-2049-university-maine-s-new-england-aqua-ventus-1-offshore-wind-advanced-technology>

The current plan is to bring the power cable ashore in St. George. MAV has been meeting with people in the community. MAV is working on communication and looking for how to notify the most people (e.g., website/email/mail) to make them aware of NEPA scoping meeting dates and locations. HDR, Inc., an engineering firm with an office in Portland, is doing the permitting work for the project including the cable.

The concrete hulls will be constructed in Hampden and floated down the Penobscot River to the Mack Point facility in Searsport. There they will be mated with the towers and turbines and tested and certified before being launched and towed to the test site. The original plan for launch was 2018 but that has now been pushed back to 2019.

MAV reviewed 7 or 8 cable routes. Bristol gave pushback due to potential impact on dragger tows. MAV is in discussions with town officials in St. George to determine the viability of bringing the subsea cable ashore in Port Clyde where it would tie into the Central Maine Power grid. The subsea cable would follow the pre-existing charted cable route to Port Clyde. It would then connect into the CMP grid and go on poles along the existing power line up the peninsula to South Thomaston

A "desk top" study of existing data from the current cable route is being done to determine any know issues (such as ship wrecks) along the cable route. A study of the area will determine when the survey boat comes to survey the bottom and where the cable might go. If the Port Clyde route does not "pass the test" then MAV will need to explore other options.

Q & A for MAV

Q : *Are you testing just the platform, not the turbine technology?*

MAV: Yes, however the dynamic interactions between the platform and tower/turbine structure will be part of the testing. Part of the test is to see how the commercial electrical generator (the "turbine") performs when on a floating structure vs. a bottom mounted tower,

Q: *Are you concerned about the new Trump administration impacting the project?*

MAV: DOE funds to do this work are already approved and waiting for expenditure; MAV has been told to stay the course.

Q: *Is it the same turbine designer who designed the LiDAR buoy?*

MAV: No.

Q: *If the project costs \$200M and DOE gives MAV \$39.9M, where do you get the rest of the funding?*

MAV: Through equity and debt financing. Currently two institutions have committed to consider funding pending final project details.

Q: *Where will the power cable come to shore on the island? What is the route it will take on the island and how deep does it need to be buried?*

MAV: SGC engineers are the cable engineers for the project. We are looking at coming ashore at Dead Man's Cove and then following the existing right-of-way that the phone cable had. There are different cable specifications depending on buried depth and SGC engineers would have the most accurate answers.

Q: *When do you predict the turbines will be operable?*

MAV: End of 2019

Q: *How deep will the cable be buried at sea?*

MAV: We are working with the cable company. There are varying specifications depending on the bottom habitat.

Q: *Why is Arnie's beach no longer a good site to land the cable?*

MAV: The property has changed hands and MAV has been told that the new owners would be unlikely to allow a cable to cross their property.

Q: *When you look at the turbine, will you see blades turning fast? What about the affect on birds? How do you know how many you have killed if the carcasses go into the water and can't be recovered? How will we know what effect the turbines have on bird populations?*

MAV: The turbines will rotate at 4-11 rpm so they are not whirring fast. A bird survey was done with radar up to 2000 meters in height. MAV will probably be required to have cameras to monitor everything.

Q: *The opposition to the project seems to be based on visual impact – good project, just wrong place. Does moving the project kill the project?*

MAV: In 2010 we began testing at this site for environmental conditions and impact. All the time and energy and expense that we would lose would not allow us to continue if moved.

Q: *Protect Monhegan is going to introduce legislation to move the site this session. But MAV will still pursue its composites project. Is MAV getting a bald eagle protection permit?*

MAV: Have there been bald eagle sitings? We will pass that along to the permitting team.

Q: *Does the cable option include fiber optics? Who provides service?*

MAV: The power cable includes fiber optic communications cables. Monhegan would need a provider to “light up” the fiber just like phone service. Providers can then sell internet and telephone to islanders using that infrastructure.

Q: *Why were other sites rejected? Can the video from the turbines be live?*

MAV: Maine Department of Conservation conducted a scoping process that reduced seven potential sights along the coast down to three. Monhegan was ultimately selected due to:

1. Farthest site offshore with greatest wind potential
2. Limited number of fishermen impacted by the project
3. Greatest potential for economic benefit for the community by reducing the cost of electricity (Monhegan has one of the highest electricity rates in New England)

Will look into feasibility of a live camera feed from the turbines.

Com.: *Diverse opinions here, but I believe this is a sell out. We are selling off fishing grounds that we fought hard to protect.*

Q: *What will our electricity rates be? Who will we pay, CMP?*

MAV: Electricity will run from the site to the power station (MPPD). MAV will buy power from CMP and will give the power to MPPD for distribution to a certain cap amount. If Monhegan goes over the cap, additional power may be purchased from CMP. The assumption is that the rate will be at the standard offer.

Q: *Do CMP rates increase to cover Monhegan?*

MAV: No

Q: *Are you actively talking with CMP?*

MAV: Yes, there has been a grid integration study. MPUC and CMP will also work out a long term PPA contract.

Q: *Looking at page 33 of the handout, it states that there will be no restricted zone for fishing. Could you clarify that?*

MAV: Correct, there is no restriction for fixed gear but we will recommend a standoff distance from the units for safety. We will look into Block Island restrictions.

Q: *What about the anchor chains?*

MAV: We will use a plow anchor with catenary mooring lines. Mooring lines are chain.

Q: *Why is it necessary to have two turbines?*

MAV: To see the interaction between the two turbines and sell a certain amount of power to offset the cost of the project.

Q: *The fishermen have general support for this project. Jon Doyle believes that is because we are being paid not to fish and he is going to the legislature to make sure that doesn't happen.*

MAV: We hope you fish near the turbines to monitor the impacts of the site on the benthic habitat.

Q: *5 years to prove experiment and then 15 years to earn back \$\$? Are you required to bring back functioning turbines if they are still generating energy?*

MAV: There should be something in the community benefit agreement to renegotiate and continue paying for electricity if turbines last longer than 20 years and can remain on site.

Q: *What happens after 20 years?*

MAV: The PUC power purchase agreement (PPA) is for 20 years. It is likely that the floaters will need to repower the turbine after 20 years. Regulations for the test site require decommissioning which requires the removal of the turbines, anchors and cable. The cable has a given life. MAV can either take it up or give it to someone else if there is an ongoing use, subject to permitting approval.

Q: *What about cost over runs or contingency plans?*

MAV: Contingency is built into the project budget.

Q: *Why are the turbines located only 2.5 miles from shore, why not 10 miles?*

MAV: The State located the test site to be within state waters (ends at 3 mile). 2.5 miles is within state waters where the state controls the permitting process. This site actually has more permitting requirements than the federal waters with a 5 year permit and then renewable every three years after. The federal process would permit the whole thing for 20 years.

Q: *What is the cable warranty period? Are they insuring the underwater cable? Is there an extended warranty?*

MAV: I'm not certain. We will pass the question along to experts working on the cable options for MAV. We will have continuous operation insurance.

Q: *What is the difference between MAV and New England Aqua Ventus?*

MAV: MAV is the company name that is a general partnership among University of Maine, Cianbro and Emera. The project itself is New England Aqua Ventus 1. That was the name given on the proposal to DOE. For most purposes, MAV and NEAV are interchangeable.

Q: *What else can the University of Maine test at the site?*

MAV: UMaine has recently tested wave energy devices at their lab. The test site allows for deployments of wave energy devices as well. Co-locating aquaculture with the turbines or other renewable devices has been investigated (A proposal was submitted to do this but it was not funded.)

Currently there is a shellfish ban but UMaine wanted to test if aquaculture sited 2.5 miles offshore changes that restriction. MAV has been speaking with experts to see if

PSP testing can be conducted on Monhegan now that there are new methods for testing.

MAV: Wave heights experienced by the 1/8th scale turbine in Castine are scalable to waves of 60-70 ft in height for the full-scale device. More information is available at <https://composites.umaine.edu/research/volturnus/>

Andy: We'd like to see more intentional communication, "2-way cable", and a commitment from the project partners to help the community further their own work.

Community Discussion

The community members discussed the negotiation process further with Andy Hamilton and Jon Pottle without representatives from MAV present. Comments from the community about the project should be addressed to the members of the Community Benefits Advisory Committee.

Next Steps & Close Meeting

Community members should be in touch with CBAC members about the community needs and check the METF website or Facebook for updates. The NEPA scoping hearings will be posted and most likely be in late February on Monhegan.