

Community Power And You



Presentation by Dan Mazier:

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<http://www.eltonenergy.org>

Presentation

1. Elton Energy
2. Defining Community Power
3. Community Power Investment Model
4. Community Power vs. present system and the costs to you
5. Moving community power forward

Background of Elton Energy Cooperative

- 2006: Elton Energy was formed to investigate building renewable energy in the RM of Elton.
- 2007: EEC obtained funding from the Coop Secretariat to do a feasibility study on developing a wind project in Elton. Our study showed that a cooperative approach rather than competitive (Request for Proposal) approach was more cost efficient for all Manitoba communities.
- 2008: Created the Community Power Investment Model.

Elton Energy Cooperative

Vision & Mission

Vision: To develop community-owned renewable energy projects.

Mission: Elton Energy envisions communities in Manitoba working together to develop renewable energy projects. *Elton Energy intends to pool resources of knowledge to **coordinate these projects with Manitoba Hydro, Manitoba government, and our communities.*** This will be done in a transparent manner by and for the communities, citizens and investors of Manitoba.

EEC Activities

- As a renewable energy co-op we had to investigate what resources were available to us
- To develop a wind project we had to secure land (land lease), buy a meteorological (met) tower, hire reputable meteorologists, permitting etc.
- Met tower going up this spring
- Goal is to build a two turbine project (2-3MW) to power our community
- Community outreach

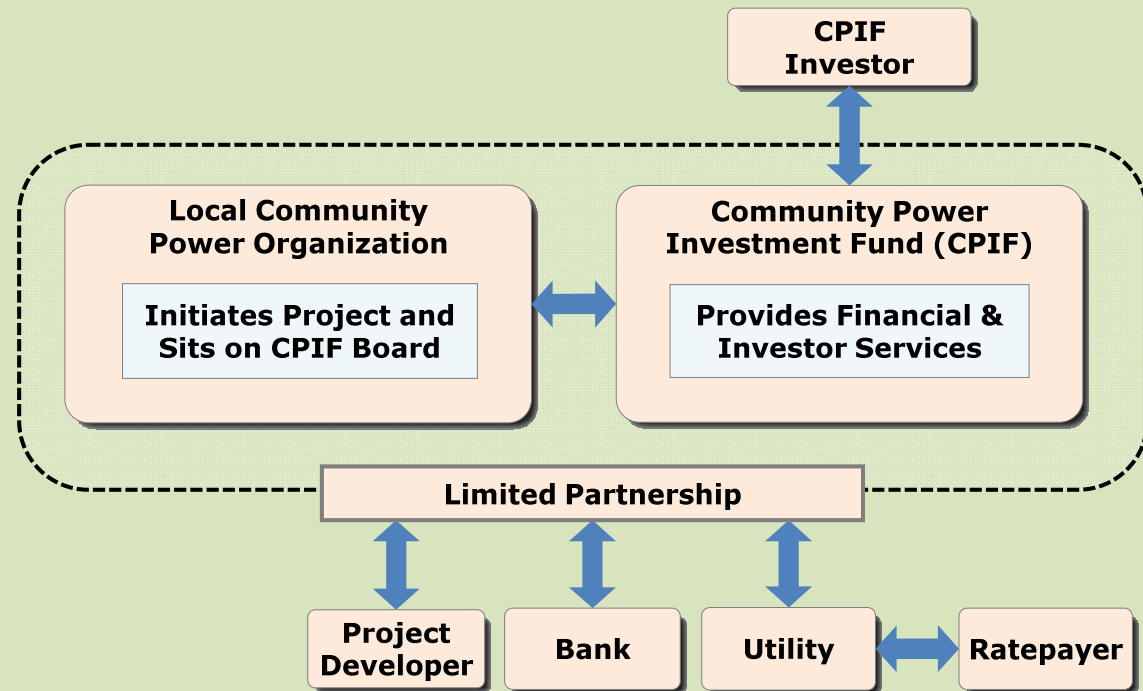
What is Community Power?

- Community power is a way to make an investment with favorable returns, while supporting the local community and helping the environment
- Ownership: control is retained by community power investors at all times (own it and control it)
- The project provides a low-risk, fair, and predictable rate of return
- Investors can opt in/opt out at any time
- Non-competitive relationships among projects

The Community Power Model

Features

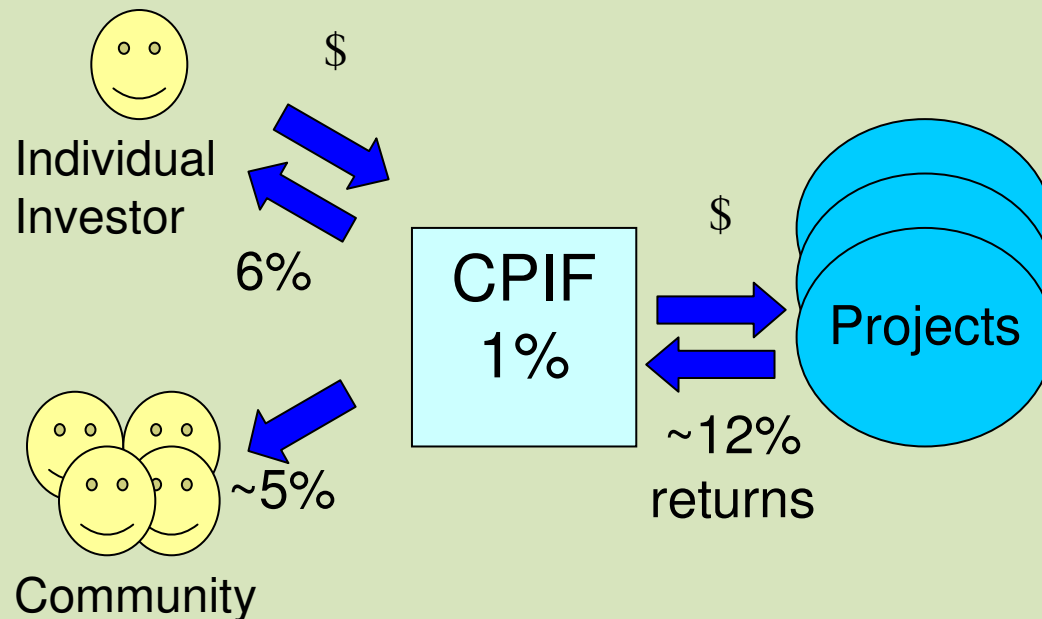
- **Provides support:** local communities are provided with expert resources in order to ensure success
- **Provides funding:** for projects that would not normally be able to be built
- **Ensures accountability:** the built-in transparency results in confidence in the overall program



Why a Community Power Investment Fund (CPIF)?

- Provides centralized legal and accounting expertise for community projects
- Allows investors to opt in and opt out at any time
- Lowers risk by aggregating projects
- Takes care of all the paperwork associated with investments (annual reporting, filing, and audits)

The Community Power Investment Fund and Approximate Returns



Creates **stable** funding for investors and communities.

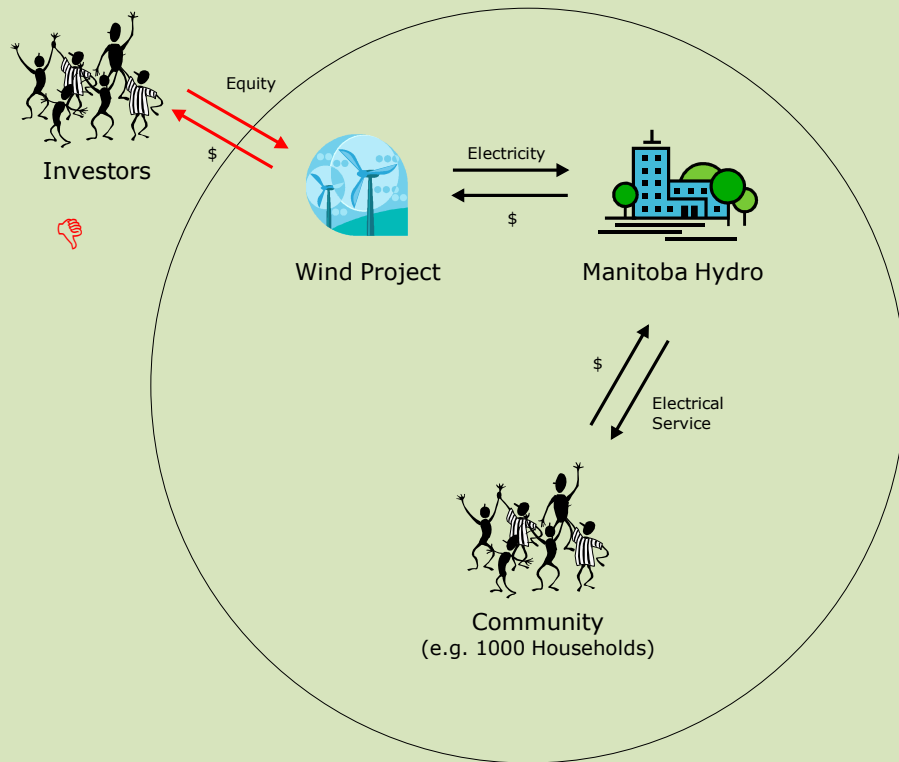
Hydro's RFP (Request for Proposal) Approach Compared to Our Model

Area of Concern	RFP Approach (Manitoba Hydro Considering)	Partnership Approach (Our Model)
<i>Community participation</i>	Communities compete against each other and create winners and losers. ☹️	Communities coordinate with each other, support each other and share information. 😊
<i>Method through which specific projects are chosen</i>	Projects are chosen by Manitoba Hydro through a proprietary process. i.e. competitive process, working in isolation. This will be more costly to communities in long run. ☹️	Manitoba Hydro provides rules-based approach to determine which projects go forward (e.g. wind regime requirements, substation capacity requirements, etc.); then interested communities caucus with each other through the CPIF for position in the program based on Manitoba Hydro's rules; ultimately projects are chosen by Manitoba Hydro through a transparent process. 😊
<i>Ongoing project risk</i>	Projects "going it alone" results in increased risk for all investors. ☹️	Shared environment and shared experts lowers risk for all investors. 😊
<i>Program size determination</i>	Size is determined "behind closed doors", without clear understanding by communities of how the program size was determined. ☹️	Consultation among communities, Hydro and government determines size of program. 😊

Advantages of Community Power Compared to Conventional Power

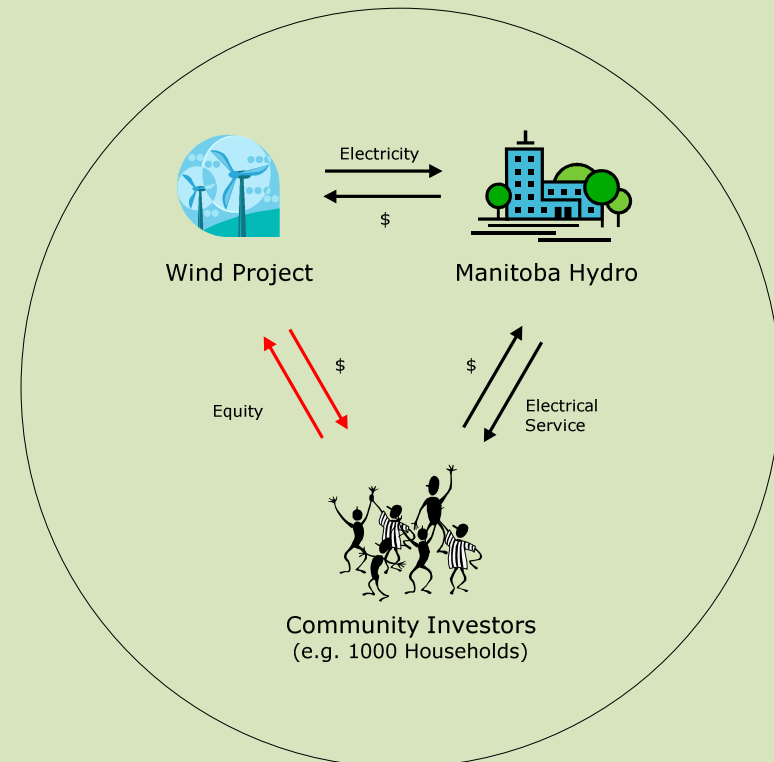
Conventional Model

- Investors are from outside rural Manitoba.
- Profits leave rural Manitoba.

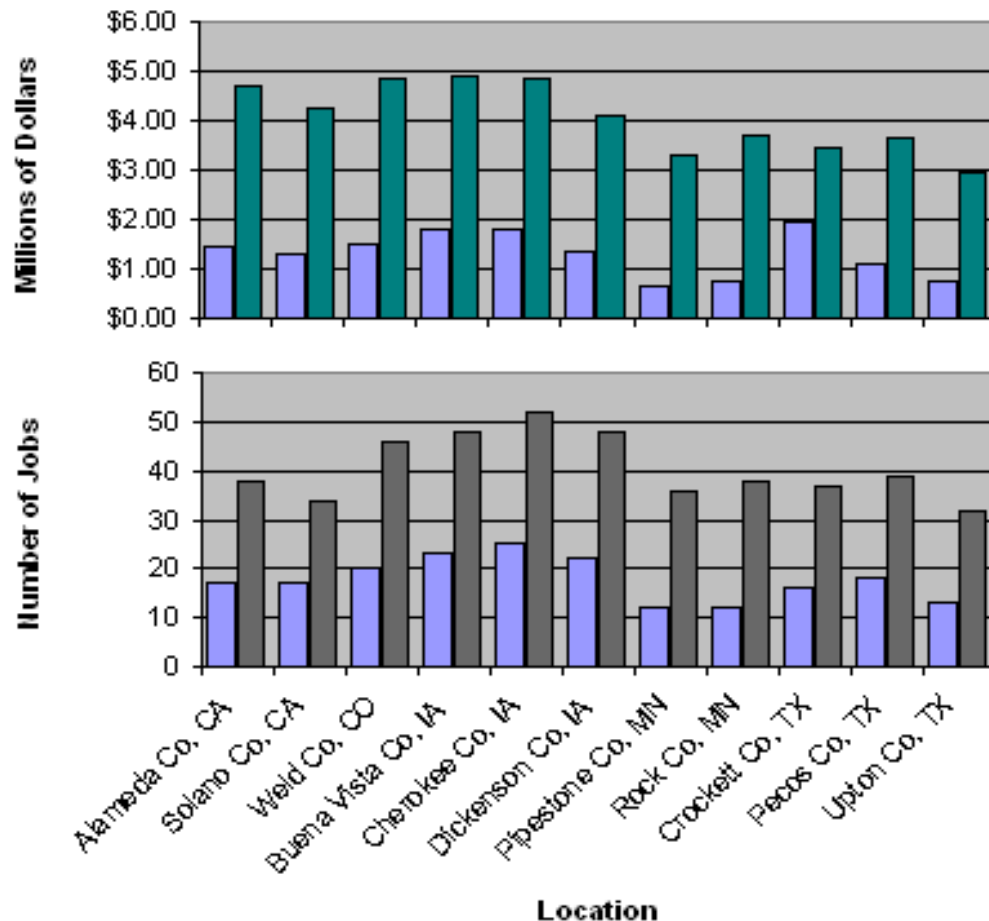


Community Model

- Investors are from inside rural Manitoba.
- Profits stay in rural Manitoba.



Advantages of Community Power Compared to Conventional Power



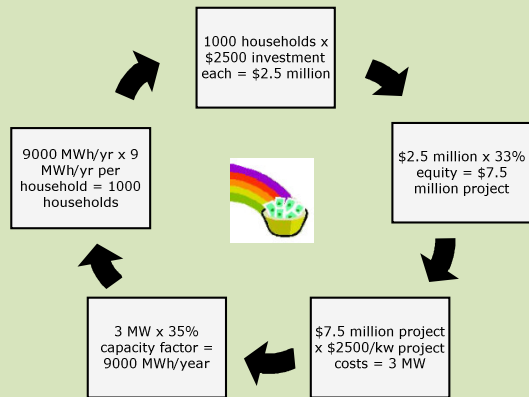
■ 40 MW Wind Power Project Owned by Out-of-Area Energy Company
 ■ 20 Locally Owned Wind Power Projects, Each with a 2 MW Capacity

Community wind is **3X** more beneficial for local communities than conventional wind

■ 40 MW Wind Power Project Owned by Out-of-Area Energy Company
 ■ 20 Locally Owned Wind Power Projects, Each with a 2 MW Capacity

Source: US General Accounting Office: "Wind Power's Contribution to Electric Power Generation and Impact on Farms and Rural Communities", 2004

Best Use for Community Power and Large Hydro Power

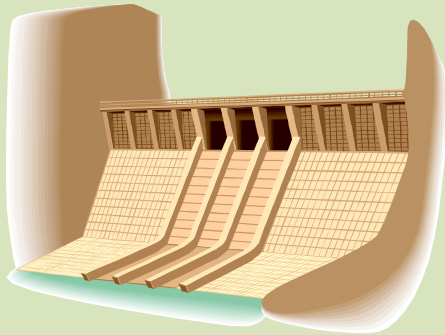


Deploy Community Power for Local Needs

- Keeps dollars local
- Encourages conservation and efficiency
- Allows citizens to directly participate in environmental initiatives

Deploy Large Hydro Power Primarily for Export

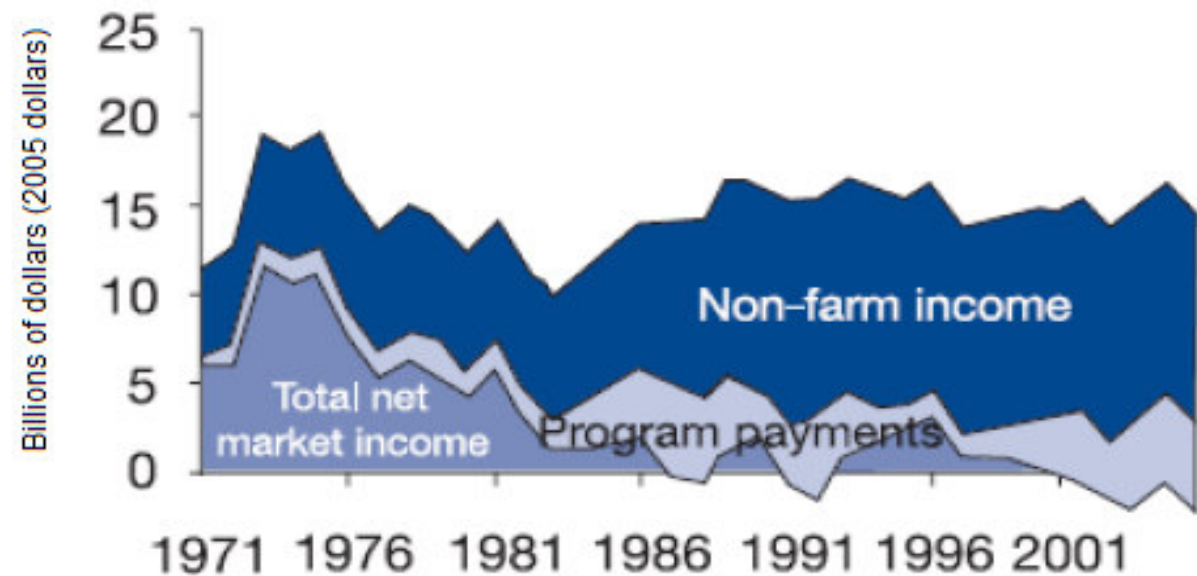
- Provides coverage of intermittency of community power
- Provides clean power to other jurisdictions that are willing to pay top dollar for carbon credits
- Increases Manitoba's net income from carbon credit sales



Rural Community Dependency on Non-farm Income

The rural challenge:

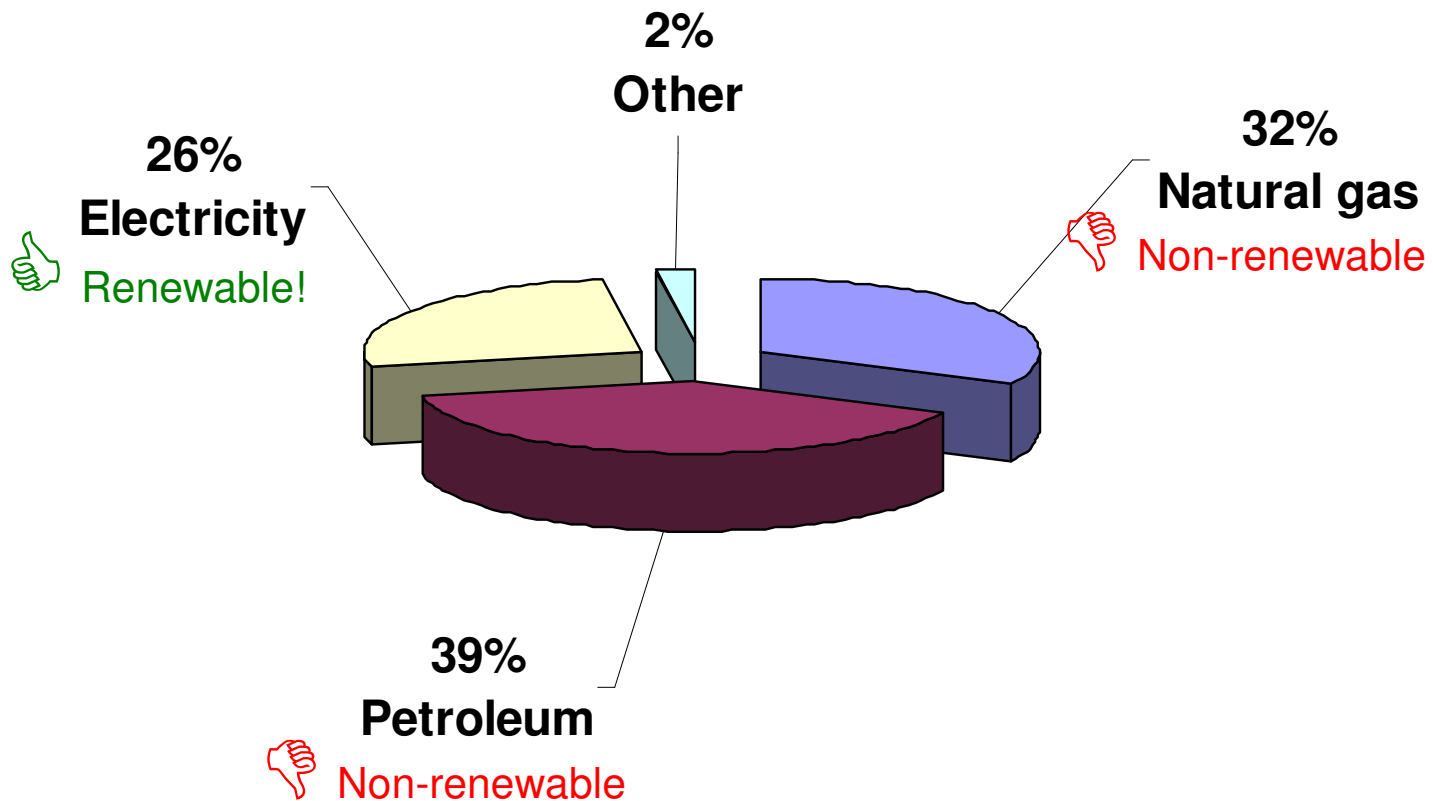
- Farm income is dwindling
- Subsidy dependency is increasing
- Rural economic development is critical to allow rural communities to be sustainable



Note: total net market income plus program payments constitutes total net income

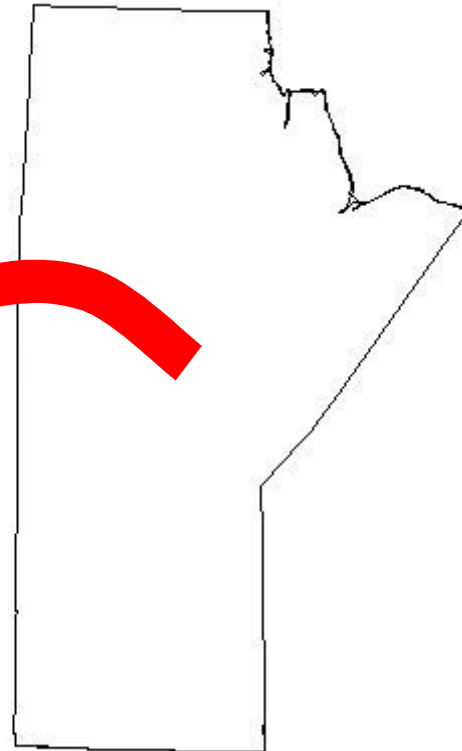
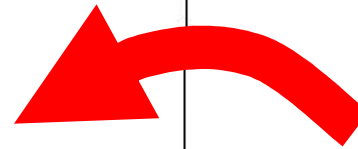
Source: Census of Agriculture, CANSIM tables (002-0001, 002-0009, 380-0056), AAFC calculations

Manitoba Energy Sources



Manitoba Communities and Our Current Energy Use

\$2.5 billion
leaves Manitoba
each year to pay
for non-renewable
energy imports.



How can our communities, environment, resources afford this ongoing loss of dollars?

2.5 billion means what to YOU

- Population of Manitoba = 1.1 million or approximately \$2,200 per Man, Women, and Child

Or approximately:

RM of Elton, Population 1285 = \$2.8 million

RM of Blanshard, Population 686 = \$1.5 million

Cypress River 7 km radius pop 177 = \$389,000

Brandon, Population 43,169 = \$94 million

Moving community power forward

- ***Your direct participation is required***
- *We're inviting community residents to participate with us to help develop our Made in Manitoba solution*
- *Contact your MP, MLA, and local Councilor, ask them if they would adopt our model to develop community owned energy*
- *Talk to your neighbor about community energy and this model www.eltonenergy.org or www.CommunityPowerAssociation.org*
- Come see us at our booth in Innovation Corner

Conclusion

- The way that we deploy a community power model has long-term impacts on both **rural economic development** and on the development of **renewable energy** in Manitoba

Renewable energy has a huge future but who is going to benefit?

Let's do it right!

Thank You

Thank you to the following supporters:

- Board of Elton Energy Coop
- RM of Elton Blanshard, Sifton and Cornwallis
- Town of Oak Lake
- Melita and area Economic Development Corp.
- The Southwest Region of AMM
- Assiniboine Community College
- ManSEA, OSEA, C-BED, TREC
- Laurence Lafond and Carl Cunningham
- Jeff McConnell (Lawyer)
- Dena Hunter (MAFRI business specialist)
- KAP
- Coop Promotions Board (Prov)
- Ag CDI (Fed)
- AMM



Contact us at www.eltonenergy.org sign up on line for updates

Contact information

- EEC Contacting other communities to see if they are interested in developing the model.
- Building awareness in communities regarding how they can participate.

call

Dan Mazier@204-763-4646 or

Email: info@eltonenergy.org

www.CommunityPowerAssociation.org

Come see us at our booth in Innovation Corner