

Isle au Haut Power Company Annual Meeting

August 18<sup>th</sup> 2022

Sam Chamberlin, Secretary

**In Attendance:**

Present at Town Hall: Bill Chamberlin, George Cogan, Staige Davis, Marion Breeze, Sue & Stew Foelix, Rob DeWitt, Gails Holmes, Abigail Hiltz, Tucker Runge, Mike Fedosh, Ruel Little, Mat Hastings, Nick Filler, Tim & Meg Gailey, Ellie Kastanopolous

Present by Video Conference: Sam Chamberlin, Dana Perry, Buff McClaughdry, Fred & Libby Eustis, Sue Proctor, Jim Wilson, Donna Hopkins, Lee Davis, Sara Cogan, Jon Donaldson, Bob Olney

**Meeting:**

Introduction from Bill Chamberlin

- Review of last year's rate increase

- Review of last year complaint to PUC

- Overview of board working groups

  - Operations Committee; Working to develop protocols and procedures to be ready for cable failure and efficient transfer to new power source

  - Planning Committee; Working on plans for future solar array.

**Motion** to Approve 2021 Annual Meeting Minutes

- All in Favor

**Manager's Report – Bryan Carroll.**

**Energy Purchase 2021**

Added six new members in 2021

Purchased: 340,800 kWh

16% increase compared to 2020 (new and seasonal members staying longer during Covid)

Cost of power purchased: \$31,792

Peak (kWh) month August

Low (kWh) month April

### Green Energy 2022-2023

- Last year Versant increased “standard offer” price dramatically due to surge in natural gas prices
- As a result, we shopped for new independent power sources
- IaH energy now provided by a MPUC Competitive Energy Supplier (delivered by Versant)
- We found that 100% hydroelectric from Maine projects would cost less than “standard offer”
- New power costs will save roughly \$1,500 this year versus the standard offer although they are higher than in 2021
- Versant has already applied for 2023 transmission rate increase
- Independent power producers also appear to be planning significant increases

### Cable Monitoring

- Spark! grant from Island Institute awarded to fund 100% of cable monitoring equipment purchase
- Equipment has been received but awaiting Versant assistance to install
- Primary voltage metering will allow us to see kWh received (IaH) vs. kWh sold (Stonington)
- We believe the energy losses we currently experience are not due primarily to the cable but rather due to our transformer network
- Independent study in 1986, revealed line loss of 18% vs. 20% today and was attributed mostly to transformer inefficiencies

Question – Gale Holmes. What is PoCo plan for purchasing Green Energy for the coming year?

Answer – We don’t yet have price options for green and standard options. We need to wait for the information to make a decision. PoCo will balance the needs for cost effective power for the island community with a desire to buy green if possible.

### Financial Report – Dana Perry

## **2021 and 2020 Profit and Loss Statement (data presented to members in slide form)**

Profitable in 2021 due to member donations of \$47K and pandemic-related power consumption

## **2021 vs 2020 Balance Sheet (data presented to members in slide form)**

Cash generated from donations plus partial sale of solar panels permitted us to eliminate significant liabilities making it easier to apply for solar grant funding

## Planning – George Cogan

### **Broadband/Power Company Synergy**

- Isle au Haut received a \$1.1M grant for high-speed internet
- The town approached PoCo to assess synergy opportunity to add fiber to a new power cable (to avoid permitting and installing a 100-foot tower on Coombs Mountain)
- While the PoCo's current plan is to wait to replace the cable, the opportunity for synergy has caused us to study adding a 'redundant' cable with fiber optics sooner
- We have applied for a \$300K grant from the Northern Border Regional Commission (a state-federal funding agency). If that grant is approved, we will push to find the additional funding required
- We are currently awaiting a bid on a power cable that includes fiber optics

### **New Solar Design Progress**

- Even with a "cable first" strategy, a solar generation system could reduce the impact of future mainland rate increases
- In the spring we hired Seacoast Engineering to design a grid-tied solar system
- Design will provide daytime power; mainland cable will support nighttime demand
- The first phase will include a small number of batteries so we can gain operational experience
- Design will be expandable to add more batteries when battery prices decline
- Design currently being vetted by Versant to satisfy their safety and other requirements
- Equipment certifications and vendor references being gathered and analyzed in preparation for installation bids
- After Versant approval we will seek construction bids

- Once we have installation cost, we will seek state and federal subsidies
- The new “Inflation Reduction Act” provides several potential funding avenues for this project

#### By Laws - Bill Chamberlin

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The following changes are proposed to PoCo By-Laws. Specific language provided to members by email before meeting and Attached to these minutes.

- Three-year terms would be standard practice – need to stagger to maintain continuity. Want all current members to re-up
- Once a year board may pass on rate decreases and increases if power supply costs change
- Residential solar is allowable but system designs must comply with PoCo specifications and PoCo will not purchase excess power

**Motion** to Amend by laws regarding board terms.

- All in Favor.

**Motion** to Amend By-Laws regarding residential solar

- All in Favor

**Motion** to Amend By-Laws regarding usage rate increases

- All in Favor

#### 2022-23 Board Nominations and Vote

Trustee election – to establish rotation

Three Year Term:

Bill Chamberlin

George Cogan

Nick Filler

Dana Perry

Ruel Little

Two Year Term

Sam Chamberlin

Dane Stevens

Lee Davis

Abigail Hiltz

Ben Sampson

One Year Term:

Jim Wilson

Mike Pratt

Mike Fedosh

Rob DeWitt

Bob Schonenberg

Motion to adjourn meeting.

All in Favor.

**Meeting Adjourned.**

# PoCo Update

Members meeting August 18, 2022

# Agenda

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- Operations update
- Financial update
- Summary of planning projects
- Summary and vote on bylaw changes: member solar generation and board terms

# Operations update - Energy Purchase 2021

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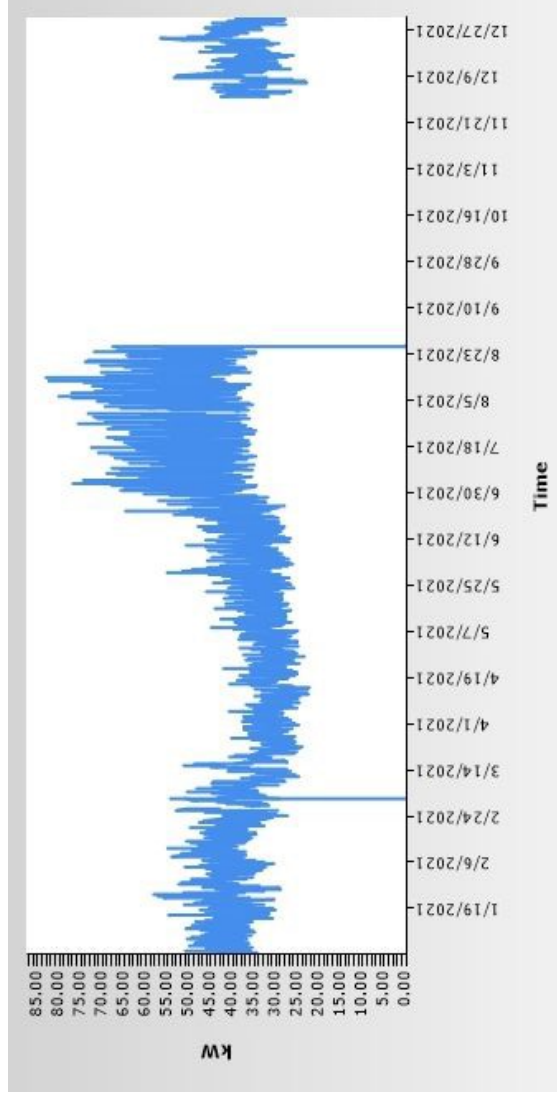
- Added six new members in 2021
- Purchased: 340,800 kWh
- 16% increase compared to 2020 (new and seasonal members staying longer during Covid)
- Cost of power purchased: \$31,792
- Peak (kWh) month August
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# Operations update – Demand Patterns

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- Min: 0 kW
- Max: 83 kW
- Max time: 8/13 18:00
- Avg: 39 kW
- Max outage: 03/02 - 9 hrs

## Hourly Demand – 2021



Versant data retrieval  
issue prevented  
full-period download

# Operations update – Green Energy 2022-2023

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## Finance update: 2021 and 2020 Profit and Loss Statement

- Profitable in 2021 due to member donations of \$47K and pandemic-related power consumption

	2021	% Sales	2020	% sales	Increase/ (Decrease)
Revenue					
Electricity Sales	\$128,718	100.0%	\$104,842	100.0%	\$23,876
Cost of Sales	\$31,972	24.8%	\$28,165	26.9%	\$3,808
Gross Profit	\$96,746	75.2%	\$76,677	73.1%	\$20,068
Other Income	\$22,499	17.5%	\$52,288	49.9%	(\$29,565)
Donations	\$47,300	36.7%	\$0	0.0%	\$47,300
Total Other Income	\$69,798	54.2%	\$52,288	49.9%	\$17,510
Operating Expenses					
Heat Pump Installation	\$23,131	18.0%	\$16,398	15.6%	\$6,733
Payroll	\$59,702	46.4%	\$55,113	52.6%	\$4,589
Professional Fees	\$18,132	14.1%	\$12,184	11.6%	\$5,948
Depreciation	\$7,817	6.1%	\$15,216	14.5%	(\$7,399)
Other Expenses	\$27,435	21.3%	\$35,854	34.2%	(\$8,419)
Total Operating Exp.	\$136,216	105.8%	\$134,765	128.5%	\$1,451
Net Income (loss)	\$30,327	23.6%	(\$5,800)	(5.5%)	\$36,127

## Finance Update: 2021 vs 2020 Balance Sheet

	2021	2020	Increase/(Decrease)
<b>Current Assets</b>			
Cash	\$59,561	\$92,740	(\$33,179)
Accounts and Grants Receivable	\$18,593	\$37,078	(\$18,485)
inventories and prepaids	\$8,162	\$21,286	(\$13,124)
Total Current Assets	\$86,316	\$151,103	(\$64,787)
<b>Fixed Assets</b>			
NetFixedAssets	\$128,699	\$125,585	\$3,114
Solar and Other Assets	\$292,722	\$328,999	(\$36,277)
Total Assets	\$507,738	\$605,688	(\$97,950)
<b>Current Liabilities:</b>			
Accounts Payable	\$15,813	\$101,133	(\$85,320)
Promissory Notes Payable	\$0	\$22,000	(\$22,000)
Total Current Liabilities	\$15,813	\$123,133	(\$107,320)
<b>Other Liabilities</b>			
Membership Payable	\$36,875	\$36,875	\$0
Promissory Notes Payable	\$28,500	\$0	\$28,500
Contingent Liabilities	\$10,000	\$0	\$10,000
Total Other Liabilities	\$75,375	\$36,875	\$38,500
Total Liabilities	\$91,188	\$160,008	(\$68,820)
Total Deferred Inflows	\$17,092	\$76,550	(\$59,458)
<b>Net Assets</b>			
Total Net Assets	\$399,457	\$369,130	\$30,327
Total Liabilities & Net Assets	\$507,738	\$605,688	(\$97,950)

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## Planning Projects: Broadband/Power Company Synergy

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# Planning Projects: New Solar Design Progress

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# Bylaw Amendments and Governance issues

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- Three-year terms would be standard practice – need to stagger to maintain continuity. Want all current members to re-up
- Once a year board may pass on rate decreases and increases if power supply costs change
- Residential solar is allowable but system designs must comply with PoCo specifications and PoCo will not purchase excess power

# Appendix

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# Bylaws amendments – Rates and Solar Generation

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## Article I **Membership**, Section 6. **Purchase and Delivery of Electricity**

- (a) The Cooperative will deliver and each Member will purchase all electricity from the Cooperative, as measured by the Cooperative’s meter on the Member premises, in accordance with the Cooperative’s board approved rates, terms and conditions of service.
- (b) The Cooperative will charge each Member, and each Member shall timely pay when due, as a condition to membership and delivery of electricity service, the usage rates and charges in effect at the time of delivery in accordance with board approved rates, terms and conditions of service. In addition to any charges based on usage, the Member will timely pay when due all monthly meter charges, or other minimum membership fees and charges applicable to service and membership set forth in the board approved rates, terms and conditions of service.
- (c) The board will from time to time establish the rates, terms and conditions of service consistent with these bylaws and applicable Maine public utility law as codified in Title 35-A, which rates, terms and conditions shall be made available to Members. The Cooperative’s rates, terms and conditions may also be referred to as the “Rates, Rules and Regulations of the Isle Au Haut Electric Power Company.”
- (d) Third party electricity supply usage rates and charges billed to the Cooperative by a transmission and distribution utility or competitive electricity provider (including so-called standard offer charges) (“Third Party Supply Rates”) may be directly passed through to the Members as part of any board approved usage rates, terms and conditions of service. In this regard, no more than once each year, in addition to any other changes to any usage rates and charges permitted by these bylaws, the board may, subject to any requirements under applicable Maine public utility law, increase or decrease the usage rate in an amount equal to the Third Party Supply Rates then in effect to enable such Third Party Supply Rates to be directly passed through to the Members.
- (e) To the extent permitted or required by applicable utility law and subject to the Cooperative’s board approved terms and conditions:
  - (i) the board may allow a Member to install for its purposes on the Member’s premises, at the Member’s cost, self-generation units (such as solar panels); provided that
  - (ii) Cooperative shall have no obligation to purchase any excess energy from the Member.
- (f) If a Member pays any amount to the Cooperative in excess of the amount paid for the delivery of electricity under this Section 6 and the Cooperative board approved rates, terms and conditions of service, the Cooperative shall have the right to return such amount, or upon approval of the Member making such excess payment, allow the payment to be credited to the Member as additional paid in capital.

# Bylaws amendments – Board Terms

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## Article IV Trustees, Section 2 Election and Tenure of Office

The persons named as Trustees in the articles of incorporation shall compose the board until the first annual meeting or until their successors shall have been elected and shall have qualified. Trustees were elected at each annual meeting of the members beginning with the year 1970, by and from the members to serve until the next annual meeting of the members or until their successors shall have been elected and shall have qualified. In order to establish staggered terms and term limits, the Trustees nominated and elected at the annual meeting of the members in 2022 shall be divided into three equal groups. One group shall serve an initial term of one (1) year, a second group shall serve an initial term of two (2) years, and a third group shall serve an initial term of three (3) years. Thereafter, at each annual meeting of the members, members shall elect duly nominated Trustees to fill expiring terms and any vacant seats, each Trustee to hold office for a term of three (3) years and to serve a maximum of three (3) consecutive terms except that a Trustee serving as an officer may serve additional terms while holding the officer position. Selection to Group one (1) or two (2) does not diminish the opportunity of those who serve, but rather allows the Cooperative to achieve the goal of staggered rotation to Trustees. All Trustees are encouraged to serve succeeding terms. After serving the maximum number of consecutive terms as a Trustee a person cannot be elected as a Trustee until one (1) year has passed at which point he or she may be nominated and elected and again serve a maximum of three (3) consecutive terms. If an election of Trustees shall not be held on the day designated for the annual meeting or at any adjournment thereof, a special meeting of the members shall be held for the purpose of electing Trustees within a reasonable time thereafter. Trustees may be elected by a plurality vote of the members.

# Trustee election – to establish rotation

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## Three Year Term:

Bill Chamberlin  
George Cogan  
Nick Filler  
Dana Perry  
Ruel Little

## Two Year Term:

Sam Chamberlin  
Dane Stevens  
Lee Davis  
Abigail Hiltz  
Ben Sampson

## One Year Term:

Jim Wilson  
Mike Pratt  
Mike Fedosh  
Rob DeWitt  
Bob Schonenberg

## Why invest in solar if we get a new cable?

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- Many members and the town selectboard have encouraged us continue to develop a solar plan in order to address broader climate change issues among other reasons
- Installing solar (without batteries) will provide a hedge against power price increases over the next 20 years by fixing the price of about 50% of our power needs
- Now may be a unique moment in time when we can get State and Federal grants to subsidize over 50% of the total cost (including recovering some of the costs we incurred in the last design phase)
- The solar design can be less expensive if we have a redundant cable – for example we may not need new generators since both cables failing is unlikely
- If we do not have a redundant cable, solar generation will provide increased resilience to cable failure – reducing the fuel storage and transport needs in the event of a cable failure

**Isle au Haut Electric Power Company**  
**Annual Meeting of Members**  
**Thursday August 18 @ 4:30 PM in the Town Hall and by Zoom**

At the annual meeting, it is the intent of the Board of Directors to propose the following amendments of bylaws to further clarify the members ability to self-generate power (Article I § 6) and to assure Board Trustees can serve 3 year minimum terms (Article IV § 2). Proposed language is as follows:

Article I **Membership**, Section 6. **Purchase and Delivery of Electricity**

(a) the Cooperative will deliver and each Member will purchase all electricity from the Cooperative, as measured by the Cooperative’s meter on the Member premises, in accordance with the Cooperative’s board approved rates, terms and conditions of service.

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(c) The board will from time to time establish the rates, terms and conditions of service consistent with these bylaws and applicable Maine public utility law as codified in Title 35-A, which rates, terms and conditions shall be made available to Members. The Cooperative’s rates, terms and conditions may also be referred to as the “Rates, Rules and Regulations of the Isle Au Haut Electric Power Company.”

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(f) If a Member pays any amount to the Cooperative in excess of the amount paid for the delivery of electricity under this Section 6 and the Cooperatives board approved rates, terms and conditions of service, the Cooperative shall have the right to return such amount, or upon approval of the Member making such excess payment, allow the payment to be credited to the Member as additional paid in capital

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