



A “green”  
investment

Case Study  
Presented at  
HHEAT  
June 10, 2012



Community Energy  
Co-operative Inc.

Whitchurch-Stouffville

# + The Project

A 250 kW solar project on the Clippers Sports Complex that will generate funds to be shared with the community, a good financial return for you and environmental benefits for our children.



# Roadmap to Community Success

"OSEA has provided technical advice, plan preparation, helpful suggestions and counseling as we evolved from an idea to an organization."

Ken Woodruff  
President, BurlingtonGreen

## A ROADMAP FOR GETTING YOUR COMMUNITY POWER PROJECT FROM VISION TO REALITY

### START-UP STAGE

Group diagnostic assessment

Preliminary project plan

#### Visioning

This stage is the time for assessing your options and envisioning the type of project your community would like to build and how it will be governed. The Community Power Services Group is skilled in group facilitation and experienced in community organizing and renewable energy. We will help your community come together to create an achievable vision for a renewable energy project and provide a framework for making that vision a reality.

#### Prospecting and pre-feasibility analysis

Our project coordinators will help you identify your community's renewable energy resources, your technology options to harness that resource and types of community power enterprises, ensuring the profits from your energy project stay in your local economy. We will help you with site identification, and will conduct a preliminary financial analysis of each of your options.

#### Initial fundraising

Communities often lack the risk capital necessary to pay for an in-depth technical and financial feasibility study. Fortunately, there are numerous funding agencies that provide grants and loans towards evaluating a project's feasibility. The foremost among these is the Community Energy Partnerships Program. We will assist you in applying for grant funding to begin studying your project's potential.

Roof, land or resource agreement

RETScreen analysis

Ontario's recent Green Energy Act and its feed-in tariff programs allow residents and communities to become green energy entrepreneurs by paying fair prices for renewable power. However, a renewable power system must be carefully planned, financed, constructed and maintained to perform consistently and to interact reliably with the electric grid. While renewable energy projects may at first seem technically and financially daunting, they can ultimately be profitable if your community is equipped with the right roadmap and led by an experienced guide.

OSEA's Community Power Services Group was created to be your community's guide. We can help you evaluate your resources and plan a roadmap to using energy more efficiently and producing local renewable power.

If your community already envisions a specific renewable power project, we will help you turn that vision into a profitable community investment. This brochure is your roadmap marking the major milestones towards making that vision a reality.

### DESIGN & DEVELOPMENT STAGE

#### Technical studies

The next step is to hire technical professionals to accurately assess your renewable energy potential such as your biomass or water power resource availability, the suitability of your rooftop, or the velocity of the wind and run other diagnostic tests at your site. Our Community Power Services Group can help you select and retain a technical professional who will serve your needs. Many of these are members of OSEA's network of green energy professionals.

Resource assessment report

Site plan/design

Feasibility engineering study

Grant funding agreement for development costs

FIT Contract Offer

Business plan & incorporation

Renewable energy approval

Building permits

Connection impact assessment

#### Applications & permitting

Your community power project will connect to your local electric grid and will sell the energy it produces to the Ontario Power Authority under a Feed-in Tariff contract. The Community Power Services Group will help you apply to the OPA for your FIT contract and to your local utility in order to connect your project to their network.

If your project requires an environmental assessment, we can assist you in selecting an environmental specialist from OSEA's member network to perform this assessment.

#### Business planning & governance structure

During this stage, your business plan will take shape. The plan will include a more in-depth financial analysis based on new information obtained from your resource analysis. Your community may also need to create a new business or a subsidiary of an existing organization to own and operate the renewable energy installation. Do you form a co-operative, a corporation or a limited partnership? Is it for-profit or not-for-profit? OSEA's Community Power Services can help you build your business plan and determine what type of governance structure will best serve your needs.

Equipment & installation agreement

Call for tenders issued

#### Technology procurement & due diligence

At this stage you will begin assessing equipment suppliers. There are local content requirements for renewable power projects in Ontario and OSEA's member network includes Ontario-based installers and manufacturers of renewable energy technologies such as solar panels, and windmills. We can assist you in issuing a call for tenders, advise you on how to evaluate the bids and the selection of a supplier and installer to get the best value for your money.

### COMMUNITY CAPITAL FINANCING CAMPAIGN

#### Investment offering

Now that your community power business is fully planned and permitted, you will need to raise the capital to procure and install the equipment. Many communities have financed the construction of their renewable energy projects by offering local residents and businesses to invest directly

in the project either as shareholders or by purchasing bonds. Local investment has been shown to have an economic multiplier effect greater than privately-owned and financed projects, and it also creates a base of local supporters benefiting from the initiative who will assist in countering any opposition.

If you choose to finance part or all of your project through a community investment offering, the Community Power Services Group will help you create the legal structure in the development stage. We will also help you market the project in your community and across the province via our network of over 7,000 individuals, community groups and businesses.

Bond or share investment offering statement

Investment marketing & sales strategy

Equipment procurement

At the construction and operation stage, you will need to procure professional engineering or installation services. OSEA's member network includes many such firms and we can assist you in issuing a call for tenders, evaluating the bids and negotiating an agreement for construction or installation services. Your project will also need to be approved by the Electrical Safety Authority.

#### Maintenance

Provisions for maintenance will be worked into your financial model in the start-up stage. Maintenance agreements are usually provided by the equipment manufacturer or the installer. We will assist you in evaluating these.

Insurance policy

Maintenance agreement

**Insurance**  
HKBH HUB International is OSEA's exclusive insurance partner offering a comprehensive insurance program that includes a full range of cost effective insurance and risk management solutions to address all of your business insurance needs. HUB's program for members and affiliates of OSEA addresses project risk, property and equipment breakdown, liability, business interruption warranty employee benefits and other risk exposures.

### CONSTRUCTION & OPERATION

Electrical Safety Authority approval

Switch on!

#### Ongoing management

Your community power business is now up and running, earning money for every kilowatt-hour it feeds into the grid. If you have shareholders and/or bondholders invested in your community energy project, you will ensure they are paid their dividends and/or interest payments on time and that they are kept informed of the system's performance. OSEA can help you set-up and manage information systems to track payments and report back to your members/shareholders/bondholders, as well as assist you in planning and holding your annual shareholder/member meetings.

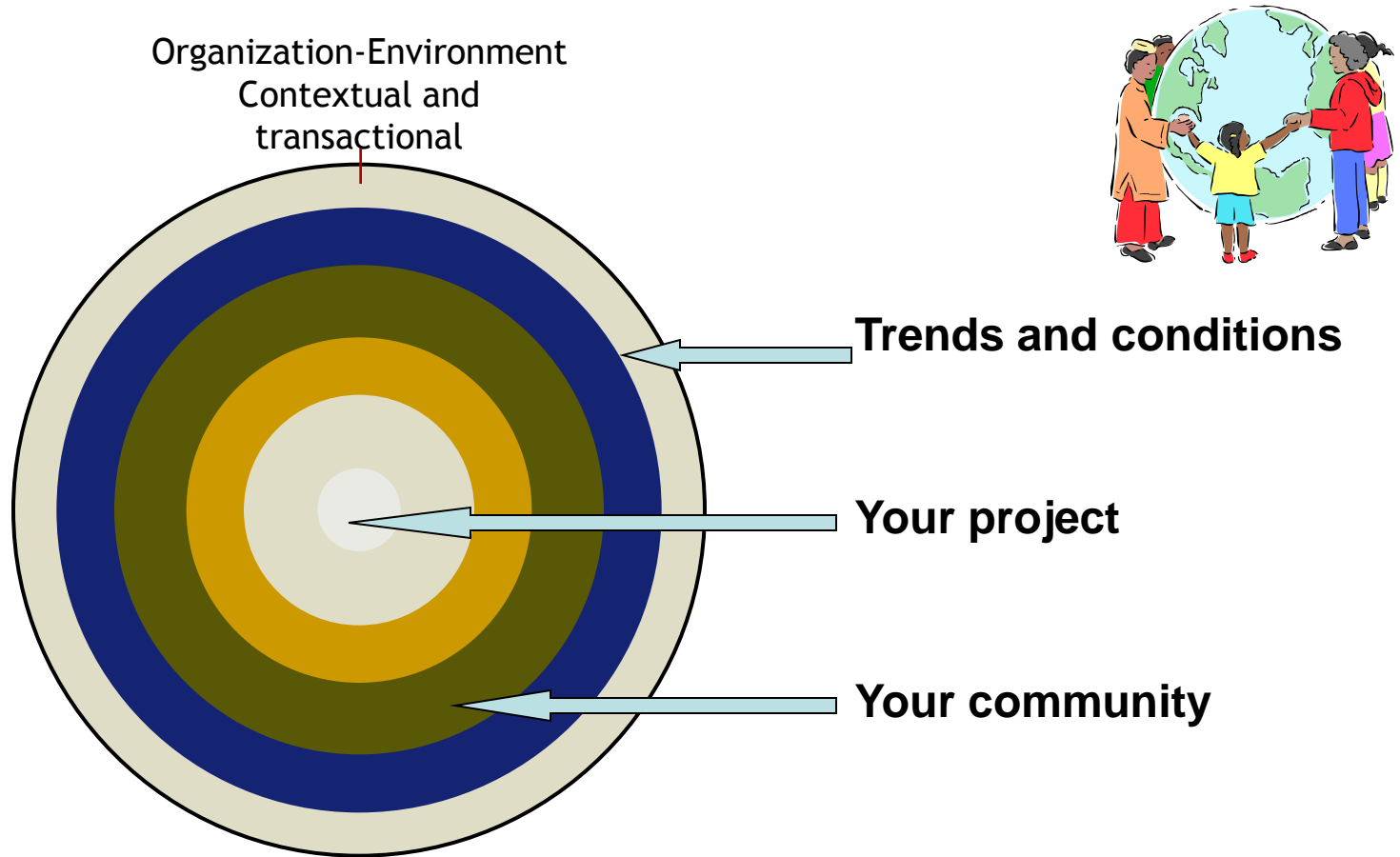
Annual shareholder meeting

Periodic dividend/interest payments to investors



# Ontario Sustainable Energy Association

# Understanding your community



Presents constraints and opportunities



**Ontario Sustainable Energy Association**

# Initiating your solar PV co-operative slide



## Initiating Your Co-operative Solar PV Community Power Project





# Ontario Co-operative Association

(member of OSEA your are a member of On-coop)

The screenshot shows a web browser window displaying the Ontario Co-operative Association website. The browser's address bar shows the URL [www.ontario.coop/programs\\_services/coop\\_development](http://www.ontario.coop/programs_services/coop_development). The website header features the On Co-op logo, navigation links (Home, Login, RSS, Facebook, Twitter, YouTube), and a search bar. A dark blue navigation bar contains the following menu items: ABOUT US, PROGRAMS & SERVICES, MEMBER RESOURCES, GET INVOLVED, CO-OP RESOURCES, and ALL ABOUT CO-OPERATIVES. The main content area is titled "Co-op Development" and includes a "SHARE" button. Below the title is a photograph of a person installing solar panels on a roof. To the right of the main content is a sidebar with a light blue speech bubble containing the text "Helping Ontario co-ops get going... and growing." Below this, the "In this section..." section lists several links: "Starting a Co-op", "Financing A Co-op", "Technical Assistance Funding", "On Co-op's Guide to the Co-operative Corporations Act", and "Co-op Funding Sources". The "Related Documents" section lists "Listing of all On co-op FactSheets". At the bottom of the sidebar, there is a small, partially visible image of a person's face.

[Home] The Ontario Co-operative Association » Programs & Services » Co-op Development

## Co-op Development

SHARE

*Co-operative development is the art and science of helping co-operatives get started and grow their enterprises. On Co-op supports the creation, development, funding and enhancement of Ontario co-operatives and credit unions through a variety of programs.*

Helping Ontario co-ops get going... and growing.

**In this section...**

- Starting a Co-op
- Financing A Co-op
- Technical Assistance Funding
- On Co-op's Guide to the Co-operative Corporations Act
- Co-op Funding Sources

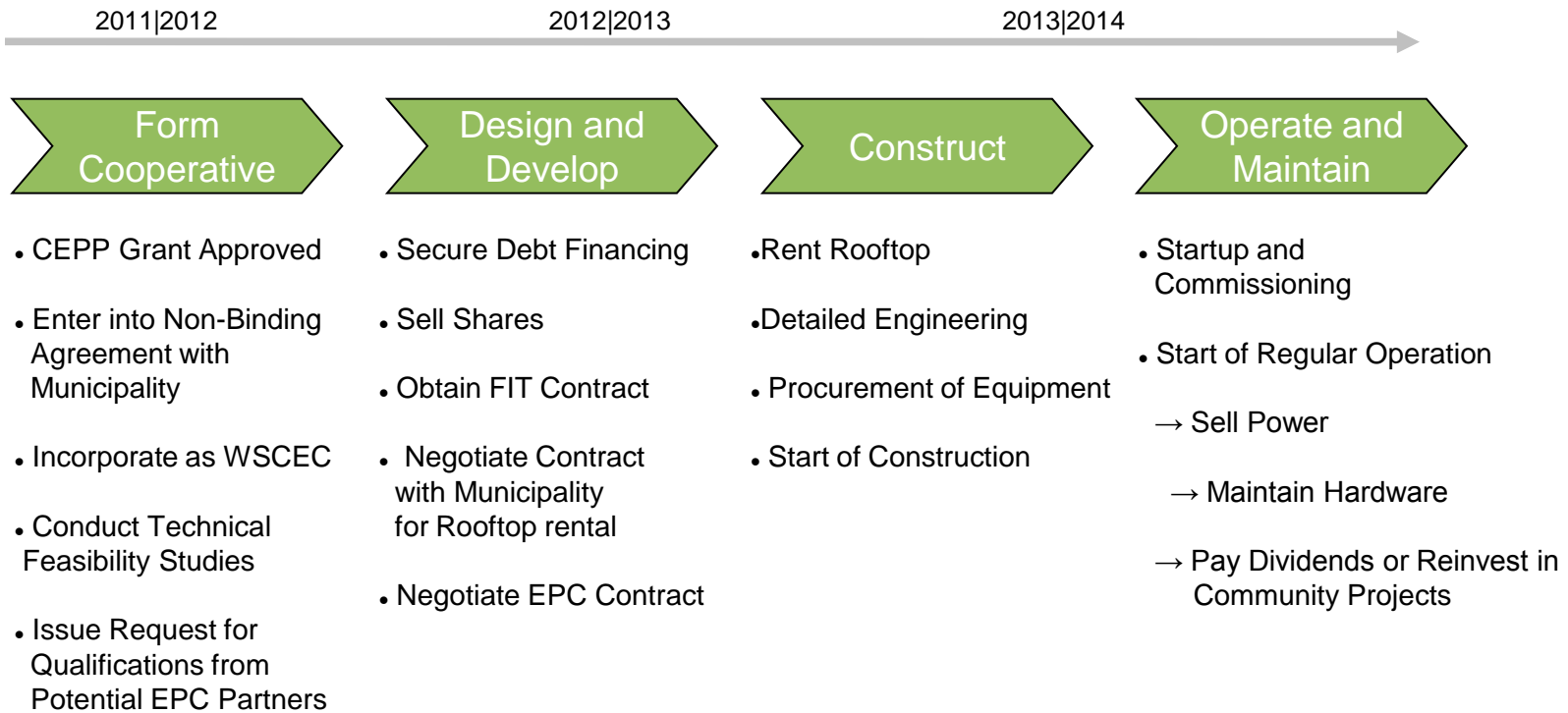
**Related Documents**

- Listing of all On co-op FactSheets





# Project Milestone Summary – as of May 2012



# CEPP – what you will need

## Before

- Governance group with a bank account
- Access rights or MOI with asset owner
- Retscreen
- LDC consultation
- 10% contribution (source)
- Uneligible costs
- Operating costs
- Proof of financial capacity
  - PNWS, statements

## After (probably)

- Same
- Now only for co-operative groups
- Evidence of intent to form a co-operative
- Proof of membership
- Intent to achieve 35 – 50 members who are two year property owners in the local municipality (single or lower tier)
- More unknowns







# Join our Founder's Club !

1. Opportunity for 40 interested citizens to invest \$1,000 each as a loan to the Cooperative.
2. Interest rate 9% per annum.
3. The loan is required to secure the remaining \$100,000 (estimated) grant, to complete the business plan, the tender process, and launch project financing.
4. Loan to be repaid in full with interest by Oct. 31, 2014
5. A promissory note has been prepared for you and is included in the information folder for your review.





# In summary – what you really need

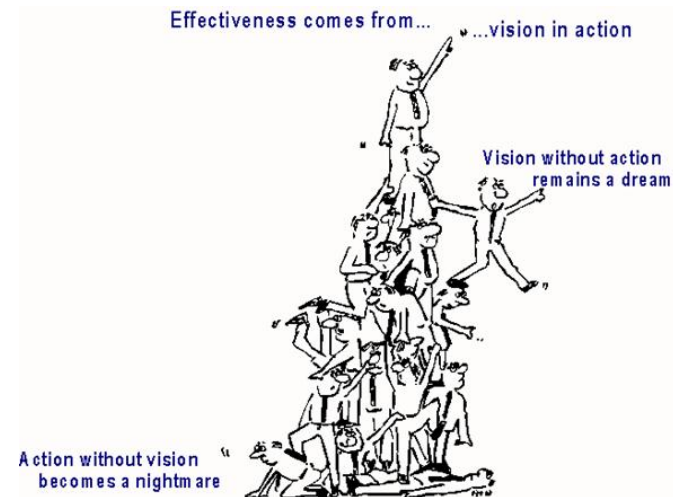
People

Passion

Perseverance

Patience

1. What do you care and feel most deeply and passionate about?
2. What is it that we want to create together?
3. What will give this project meaning and purpose?





Thank you

Energy solutions for the Next Generation