

OVA welcomes you to a community conversation
with Town Manager Mark Ells on
Avangrid's Proposed Project into and through Osterville

OVA Meeting
October 4, 2022

www.OVAToday.com
ReadingRoom

Objectives for tonight's meeting

- ❑ **NEW:** Discuss the Town's response to Avangrid's CEO on its need for partners, the numbers not working, it not being the time to contract, the need to renegotiate power agreements, the need to combine CT's Park City and Commonwealth projects, and delay
- ❑ **Process:** Discuss getting it right, right from the start

We hope you find the background information and questions that follow helpful.
If we got anything wrong, or left anything out, we welcome correction.

Iberdrola, Avangrid's parent, needs delay, an investment partner, and a renegotiated power contract:

“this is not the moment to contract”

Pedro Azagra, CEO



Is the town going to ask Avangrid to come back about a host community agreement when it is the moment to contract?



Pedro Azagra, Iberdrola CEO

transcript in OVAtoday.com Reading Room

<https://img1.wsimg.com/blobby/go/dd4fb773-a547-44d5-8b5f-115be9beea71/downloads/AVANGRID%202022%20Long-Term%20Outlook%20Update%20%26%20Works.pdf?ver=1664301133785>

“There is a moment we need to have financial discipline. So, this is about sharing the amount of investments we have on the table. I think we're very comfortable with the projects. I think as Sy mentioned, in the case of Vineyard, everything on track. We're very happy there. We already have a partner with CIP.

I think when we look at the other two projects, you see the world. Commodity price is going up 50%, 100%. **As you can imagine, we need to put on the table some changes, because otherwise, the numbers do not work.** Those changes are very modest as opposed to going ahead now with those projects again. We feel comfortable that in the turbine negotiations we're doing in the interconnection's optimization, putting the two projects together in order to get synergies, and discussing with the public commissions and the distribution companies, some additional help, **I think we should be able to put it on the right track.** Again, I think we are now moving one year later the COD. Again, why? Because we are not past this mess that we have in the world right now. So, **this is not the moment to contract certain things** and delays on certain decisions. But I think the up to 50% partnership, we have done it all over the group. It's a financial discipline. **We don't have enough resources to do everything we have on the table.”**



Making Two Projects One: Changing Economics, Investors, Contracts

- **“we will build both (CT’s Park City and Commonwealth) projects as a single (inaudible) project.** This will allow us to benefit from significant synergies by having a single project team to design, permit and manage, a single procurement that can leverage the benefits of economies of scale, and a single construction and installation campaign that will minimize the number of mobilizations and ensure efficiency in installation.
- “As both Park City and Commonwealth Wind were bid at a time of 40 years of inflation stability, **we are working hard to examine every opportunity to improve the business case of both projects.** One key step we are announcing today is a one-year extension of the commercial operation dates of Park City Wind and Commonwealth Wind to 2027 and 2028, respectively.”
- “Additionally, we are exploring whether the project can benefit from an additional tax credit for domestic content contained in the Inflation Reduction Act. **Preparing to request a modest PPA adjustment with Massachusetts and Connecticut officials to reflect the current economic realities,** assessing the potential for hedging to lock in the most favorable exchange rate possible, and exploring the establishment of partnerships on the projects to share the investment requirements.”



More on combining, changing projects

“If we are moving now to turbines of probably even 20 megawatts, that basically means **we're going to have additional space in the current leases for an additional project. That's a huge value creation.** That's exactly what we're looking into right now.”

“This is not just about going and say, "Hey, I need the room that we have in the legal PPA. I need that." No, that will be a portion of that, but there are many other things we're doing. I think we're getting probably synergies and efficiencies in three or four or five items already, but there's still many more to come. **So, it's a full negotiation and optimization of everything.**”



When will the Town renegotiate the CT Park City Host Community Agreement to capture the increased value for Barnstable taxpayers?

Is the town going to talk to residents about whether the community want yet a 4th project to land and be routed through Barnstable?



Some early questions on the news

- As the on-shore parts of these projects and the off-shore parts are together one project, which needs new investors and renegotiated power contracts, will the town pause until Avangrid has certainty?
- As Avangrid combines its two projects into one to make them more profitable for shareholders, how will the Town capture the increased value for taxpayers?
- Given a year delay, how will it rethink the landing and routing for both to achieve less environmental disruption?
- Will the Town renegotiate its Host Community Agreement with Avangrid for Park City after it renegotiates its power deal that brings the company more money?
- Who are the new partners? Why does Avangrid need them? What happens if Avangrid isn't successful in attracting new partners?
- Will the community know who the partners are before Avangrid takes any next steps in Barnstable? Will the Town insist on that?



More

- Will the community know who the partners are before any Host Community Agreement negotiation for Commonwealth Wind? Will the town insist on that?
- What wind developers came in second place in the RFPs Avangrid won in CT and MA? Where are those projects? Do they get a chance to rebid if Avangrid gets a chance to renegotiate?
- Will the Town talk to the community about whether its wants yet a 4th project landing here in light of Avangrid's goal to make additional space in the leases for an additional project?
- Avangrid has said it wants to continue with the on-shore part of the projects despite the need for new investors and a renegotiated power contract. Will the town pause on-shore disruption until Avangrid executes the things it says it needs to move forward?

Process Matters

Let's get it right, right from the start

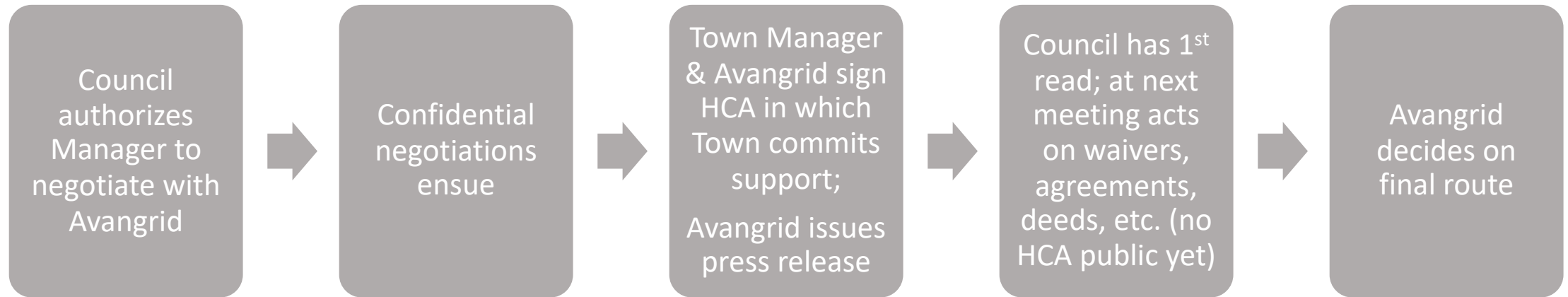
The prior projects' confidential processes are not required by law.
They are what the town and Avangrid chose.

The process for Commonwealth Wind should be better, more visible, and should occur after the community knows Avangrid's new partners, and new power purchase agreements, it says it needs to make the project work.

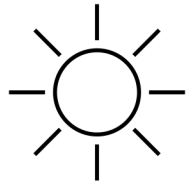
Example: Host Community Agreement Process for Project 2, Connecticut's Park City Wind through Centerville

Town Manager commits by contract to support the project publicly before government bodies; happens before final route is known and before public sees draft or final HCA

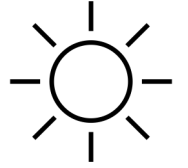
Council grants company approvals, deeds, etc. without knowing final route; draft HCA not provided to public for comment; final not posted on Town or company websites



Avangrid press release says HCA entered, is key milestone, will be filed with state EFSB, reflects strong community support before final route is known to public, or HCA made available to public



Process Questions for Town Manager Ells



- ✓ Does The Town Manager Ells agree to make known to the community a final landing spot and route **before** entering any potential Host Community Agreement negotiation?
- ✓ Does Town Manager Ells agree to make conversations about any future Host Community Agreement **visible to the community**, since Avangrid later says such agreements reflect "strong community support"?
- ✓ Does Town Manager Ells agree to provide residents and businesses **a chance to comment on a proposed draft agreement?**
- ✓ Does Town Manager Ells agree to explain how his administration will **assess and value adverse impacts** on citizens' and businesses' comfort, convenience, social and economic security after final landing and route identification and before signing any agreement?
- ✓ Does Town Manager Ells agree to explain how local residents and businesses will be **fully compensated for the risk and disruption** of this project, while Avangrid reports that it has sent Commonwealth Wind's "significant long-term jobs and economic development benefits" to communities off-Cape?
- ✓ Does Avangrid agree to **wait to ask the Town to commit to publicly supporting zoning exemptions and local government approvals Avangrid needs until after final route selection is discussed with the community?**

Public Comment Opportunity

Avangrid filed its Environmental Notification Form to the Massachusetts Environmental Policy Act Office (MEPA) on September 30

Find it here: <https://avangridrenewables.app.box.com/s/vwftpvf703ivpauz34yoadvimq8g8lbu>

The Public Comment period runs until October 27, 2022.

- Send comments on the ENF to MEPA online through its Public Comment Portal at: <https://eeaonline.eea.state.ma.us/EEA/PublicComment/Landing/>
- Email comments to mepa@mass.gov (reference New England Wind 2 Connector)
- Mail comments to: Secretary Bethany A. Card Attn: MEPA Office Executive Office of Energy and Environmental Affairs 100 Cambridge Street, Suite 900 Boston, MA 02114

Previously identified issues
pending Town Manager response

Prior community concerns pending Town Manager Ellis response and carry-through in any negotiations

- ✓ Impact on Osterville merchants
- ✓ Residents' and businesses' ability to get to businesses, restaurants, banks, post office, library
- ✓ Not disrupting the scenic and fragile Dowses causeway
- ✓ Untested health risks of 1st-time electric power infrastructure under a public beach, where families swim, kids dig in the sand
- ✓ Town support for a relatively small amount of money annually over 20 years (other Avangrid projects' annual payments represent a fraction of 1% of the 2023 town operating budget) without knowing the actual health, safety, environmental, business disruption, and other costs it would impose
- ✓ No commitment to lowered electric bills for locals
- ✓ The company not buying *private* land for its landing to keep risks and disturbances away from our public beach
- ✓ Lack of a planned approach to land all the projects in one place that has robust on-shore transmission infrastructure (closer to Boston where the system can handle it), to avoid environmental disruption to Cape Cod, higher costs for all over the long term
- ✓ Blocking access to the handicapped accessible pier

BACKGROUND On Business Districts

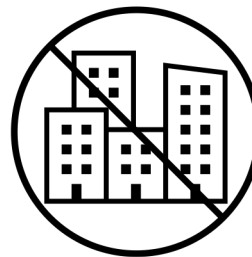
OBPA on Commonwealth Wind

The Osterville Business & Professional Association says

- ✓ The project should not land at Dowses, and
- ✓ If it does, the on-land route should not be through the business district

How about other business districts?

- ✓ Avangrid expressed flexibility in respect to public sentiment in Centerville about not routing through its Main Street district. Will it do the same in Osterville?
- ✓ Avangrid led its explanation of why it rejected landing at Kalmus Beach in Hyannis with concerns about business district impact:



“First, an onshore route would have passed directly through downtown Hyannis, affecting many businesses in a high-traffic area.”

Thank you for being here. Please stay engaged.

Send questions or comments to 02655OnWind@gmail.com

Find information in the Reading Room www.OVAtoday.com