

SWANS ISLAND ELECTRIC COOP NEWSLETTER

From the Manager:

We have taken delivery of our first truckload of poles – now stored in our new pole rack on leased land from the Fishermen's Coop next to the town ball field on Atlantic Road. A contractor is tentatively scheduled for late June to come to drill and set critical poles on Atlantic Road, Atlantic Loop Road and Ferry Road. We have also closed on a major refinancing of \$675,000 long term debt at 3.2% with the Cooperative Finance Corporation. This refinancing will save your coop an estimated \$130,000 in interest expense over the remaining life of the debt. Susanna Roe, our newest Board member, has taken the lead in establishing a SIEC website and is busy at work with consultant Donna Wiegler with initial steps. We hope to get the website up and running over the next 6 months and gradually increase the amount of information online. You may have noticed last week that the old generator has been dragged out of its building at the SIEC compound. The generator will now be dismantled & recycled and we can start converting the building to storage for

transformers awaiting recycling, our wood chipper and a yet to be purchased compressor. On the negative side of the ledger we must also report that metal thieves have struck the Coop. About 2000' of copper distribution wire was taken from two downed sections of line in remote locations and also from a heavy reel which was stored behind our garage. All copper downed by winter blow downs (trees) that can't be immediately reinstalled is now being securely stored at the SIEC compound. Finally, a safety test of our 2 bucket trucks identified electric isolation problems with both rigs. The Swans Island truck may be fixable by our staff with heavy internal boom cleaning but the Frenchboro truck will have to be taken off island to a specialty shop for boom dismantling, thorough cleaning and retest. This development means that in the near term our emergency response crew will have to work on de-energized lines only and this may mean longer outages for emergency repairs.

From the Board:

The first of several public meetings announcing the results of the formal

Wind Power Feasibility Study was conducted on April 24th on Swan's Island and on April 25th for Frenchboro. In summary, the Study confirms that a project to produce significant amounts of electric power for the Swan's Island Electric Cooperative is technically and logistically feasible, and would be capable of meeting State and Federal permitting requirements. The project would cost an estimated \$5.6 million dollars and would produce about 5,700 Megawatt hours of electricity annually with about half of this amount consumed by SIEC members while the balance would be sold on the mainland and the proceeds used to reduce the cost of power on our two islands and help pay for the cost of the project. The project envisions one utility scale turbine of the same size that is being used on Vinalhaven by the Fox Islands Electric Cooperative.

Despite this positive news, your Board's consensus is to take no action for the next 12-24 months, because a number of factors are at play which have introduced several elements of uncertainty in the price of electricity as well as

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in the Federal tax credit incentives which would enable SIEC to finance such a large venture. It is unlikely that these factors will stabilize until well after the upcoming Presidential elections this fall. At the same time we are destined to experience some very attractive power prices this summer – driven by recent increases in domestic natural gas supplies nationwide. All of these developments will be discussed in more detail next month. Stay tuned.

- ELECTRIC CO-OP OFFICE HOURS
- PHONE # 526-4336
- 7:30 AM TO 4:00 PM MON - FRI
- OFFICE MAY BE CLOSED BETWEEN 11:00 AM AND 12:00 PM FOR LUNCH.
- OFFICE WILL BE CLOSED ON HOLIDAYS.

AFTER HOUR

EMERGENCY

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