



## LIFE Co-op – Opportunity Overview

The  
Company  
and the  
Project

Local Initiative for Future Energy (LIFE) Co-op is a renewable energy co-operative located in Baden, Ontario. LIFE's aim is to foster renewable energy projects through member investments, with the help of external consultants and members able to contribute to the projects.

Life now has over 100 members, most from the Waterloo Region.

LIFE is offering an environmentally friendly investment opportunity for community members who wish to join as co-owners of LIFE's 2MW wind project near St Agatha.

Figure 1:  
Enercon E-82  
(2 MW)



Business  
Model,  
Products,  
Technology

Co-operative businesses enable members to pool their resources to achieve common goals, and are committed to a democratic system of “one member, one vote”.

LIFE Co-op's member-owners will invest roughly \$5.5 million in development, construction and machinery, through the purchase of preferred shares. The turbine will produce some 5700 MWh (megawatt hours) of electricity annually, enough to power 500 Ontario homes.

Generating 5700MWh of renewable power will eliminate over 1000 tonnes / year of CO<sub>2</sub> emissions. This means an individual's \$2000 investment would satisfy the "One Tonne Challenge" for 20 years!

The electricity will be sold to the Ontario Power Authority under the Feed-in-Tariff Program, at a rate of \$0.145/kWh – generating revenues of around \$836,000 per year. Members will receive dividends based on their investment in preferred shares, which have a par value of \$50. LIFE projects a pre-tax return of 8-9%/year, and returns to investors of 4-6%. A portion of project returns will contribute to local initiatives via LIFE's Community Fund.

The wind turbine selected for this project is an Enercon E-82. Enercon is one of the world's leading turbine manufacturers, and company technicians will service the turbine under Enercon's "Partner-konzept" maintenance agreement, which guarantees 97% operability.

Customers,  
Competitors,  
Markets

The output of the Wind Project will be sold to the Ontario Power Authority (OPA) under a 20-year FIT contract. In reality, this means the customer is Ontario's homes and businesses, who will be purchasing LIFE's renewable power through the Provincial grid.

Many developers are constructing wind projects in Ontario, but only a small minority are co-operatively based and owned by locals. The co-operative model has been widely applied in Europe, and has helped make wind power an accepted and normal part of the energy mix.

LIFE envisions a future in which it continues to develop renewable energy projects in co-operation with local investors and communities, enabling a greater share of the benefits of renewable energy to be realized by Ontarions.

People/  
Management

Life is managed by a dedicated Board of Directors, along with a Project Manager and outside consultants.

The current Board members are:

- Louis Silcox, Chair and President

- Rob Yost, Vice President
- Yvonne Zyma, Secretary
- Vanya Koleva, Treasurer
- Linda Laepple
- Frank Froklage

Project Manager: Shane Mulligan, PhD

External consultants include:

- Koenig & Consultants Inc. (Business Planning and Finance)
- AET Consulting (Environmental Assessments)
- Ortech Power (Wind Resource Assessment)

Added  
Value

### **Ecological/Environmental Benefits**

- A reduction in greenhouse gas emissions of up to 1000 t/year.
- Education through local community meetings, environmental fairs, energy tours, and working with other local environmental groups.
- Building awareness and acceptance of renewable energy.
- Proving the model of community-owned power.

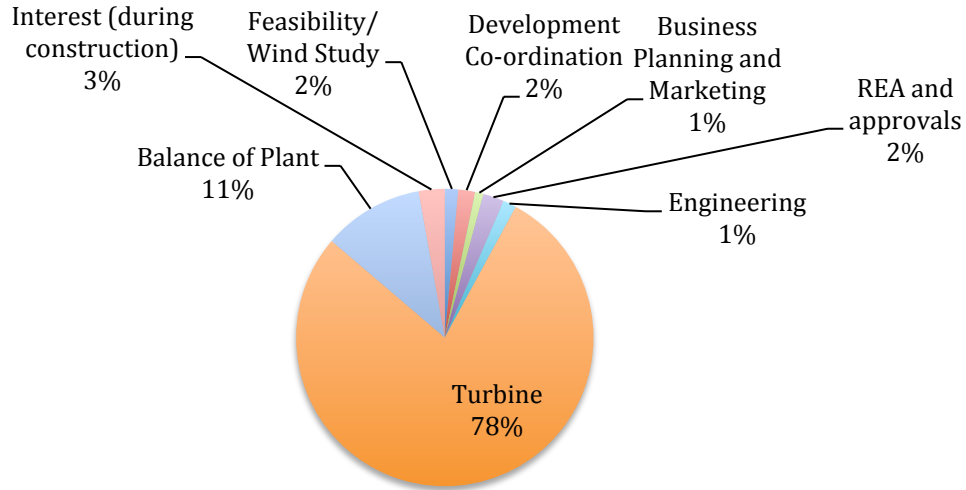
### **Economic Benefits**

- Overall returns (pre-tax IRR) for the project in the 8-9% range.
- Dividends to local investors of 4-6% for 20 years.
- LIFE is committed to employing local businesses where possible for development, construction and operations.

### **Community Benefits**

- The project, and profits, will be owned by community members and other Ontario residents.
- LIFE's Community Fund will distribute 10% of returns to community initiatives, including further environmental and educational efforts.
- Community co-operation can help build a sense of pride and collective achievement.

The overall budget for the project is \$6 million (includes contingency funding). The project will be financed by grants (4%), member equity (35%), and through debt financing (60%) with a local credit union. The breakdown of costs is outlined in Figure 2:



• Figure 1: Overall cost breakdown.

Revenues are projected at around \$836,000 per year, with operational costs of \$135,000 for the first full year (rising in later years). Current projections suggest a rate of return to investors of 4-6%, allowing for a substantial portion of profits being retained for future co-op projects. Figure 3 outlines the distribution of revenue, averaged over 20 years.

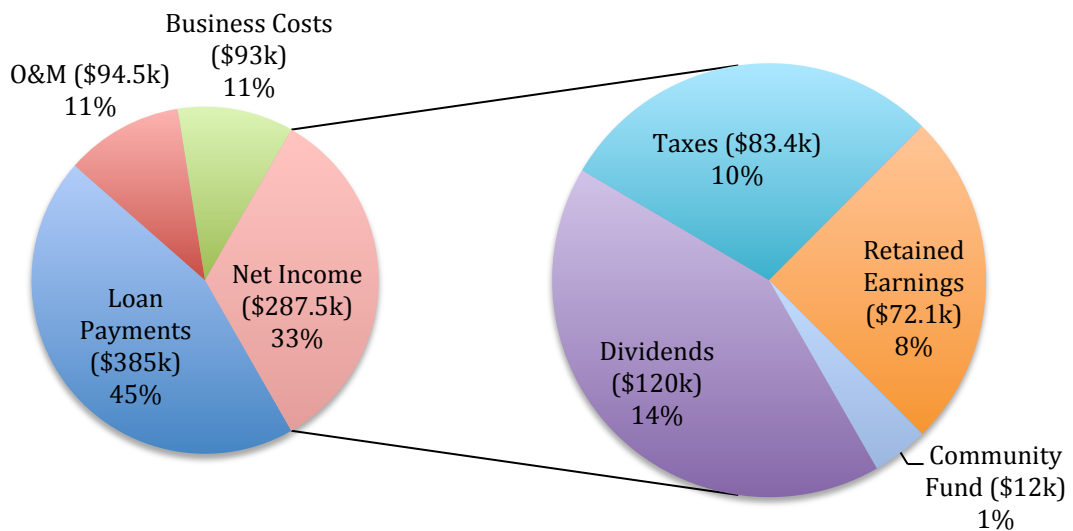


Figure 2: Distribution of Revenues