



Co-op LIFE Newsletter

Fall 2010 - Issue 8

St. Agatha Wind Project

No doubt the members of LIFE are keen to have an update on what's been happening with LIFE Co-op. Since our last newsletter, in Fall 2009, LIFE has been busy learning about and adjusting to the new regulatory environment introduced by Ontario's Green Energy and Green Economy Act (GEA), which became law in May, 2009.

As you are aware, the GEA is aimed at expanding green energy and creating jobs in Ontario. The GEA also called for the creation of a feed-in-tariff program to be administered by the Ontario Power Authority. The FIT contract provides small producers of wind-generated power 13.5 cents per kWh, with a community adder of up to 1 cent per kWh. We have modelled our financial expectations on receiving 14.5 cents per kWh, which should provide a modest but healthy return on our investments in wind power.

We are proceeding with plans to erect a 2MW turbine at our site near St. Agatha, and are currently seeking funding to enable us to progress through the planning stages. The St. Agatha Wind Project has been the main focus of attention in the meetings of the Board of Directors. LIFE has retained the services of Shane Mulligan, from the Civics Research Co-operative, to assist the Board in managing the project. Since he began as Project Manager in July 2010, Shane has focused on researching and clarifying policies, including the GEA and the Co-operative Corporations Act, and examining how these affect LIFE's plans. He has also been busy applying for funding. In September we were awarded a \$7,500 development grant from The Co-operators, which is to fund community outreach and the preparation of a major grant application to the Community Energy Partnership Program (CEPP). The CEPP application is about to be submitted.

Preparing this application has required us to think hard about the next steps and coming costs for the wind project. We now have a draft work plan and budget for the next two years; the highlights of these are presented *in the attached files*.

Members will note our plan is to apply for a FIT contract in Spring 2011, with the aim of initiating construction in early 2012. This schedule would enable us to achieve commercial operation of the Wind Turbine even before the end of 2012. While this may present a "best case" scenario, it does provide us with targets and a schedule against which to check our progress.

The CEPP application has also demanded that we look closely at the major (pre-construction) costs we are likely to run into over the next two years. Our budget suggests that we will need to raise in the area of \$500,000 over the next two years in order to "prepare the ground" for purchasing and erecting a turbine. The CEPP, if our application is successful, could provide up to \$200,000 toward these costs. This still leaves a significant funding gap, and we are thinking creatively of ways to build our membership and financial base. We would like to encourage all members to consider purchasing their mandatory Preference Shares prior to an offering statement being approved, to help LIFE in getting to that point. We are also embarking on a membership drive, and would encourage you to ask your friends and family to consider becoming members and/or supporting our efforts at this critical time.



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As you may recall, LIFE is required to have an offering statement in place (approved by FSCO, the Financial Services Commission) in order to sell more than \$200,000 in Preference Shares. According to our budget and timeline, we will want to have the offering statement approved by early 2012 at the latest. In the meantime, we will continue our efforts to raise money by attracting new members, and by sales of Preference Shares. We would love to hear from members who want to offer other fund-raising ideas or who have appropriate skills (fund-raising, finance, and marketing). Please get in touch with the LIFE office (life.info@yahoo.ca) or the Project Manager (shanemulligan5@gmail.com) if you would like to contribute to our ongoing fund-raising and outreach efforts.

Biogas

Earlier this year LIFE was approached by the Civics Research Co-operative of Kitchener, which expressed an interest in the biogas project. Civics associates Eric Tucs and Shane Mulligan have been looking into the feasibility of small scale (and low-cost) biogas installations. The CRC has made contact with a number of parties interested in developing low-cost biogas systems, but there still seems to be very little research on the market or demand for small-scale biogas in Ontario. That is, while the potential seems promising, there is little data available to prove this. Partly as a result, appropriate technologies are not commercially available.

The CRC is working on an application for funding to enable it to gather information on the market potential for small-scale biogas, while also helping to build a network of researchers who are testing and building small biogas installations. They are also looking into opportunities to combine biogas with biochar production. Members who have expressed an interest in past can look forward to receiving requests for information regarding the possible uses of biogas and economic benefits of biogas on their farms.

Members interested in helping establish a network for research and development of small scale biogas, offering information, or in possibly hosting a pilot project, should feel free to send questions or express their interest to Eric (eric@civics.ca) or Shane (shanemulligan5@gmail.com).

Funding

Community Power Fund: Our grant from the CPF was completed earlier this year. The funds have been used to maintain our test tower and analyze data, to complete a draft business plan, and to pursue development and community engagement. Due to changes in the regulatory environment, some of the tasks for which the grant was initially intended were no longer required, and LIFE was asked to return just over \$8,000 of the grant funds in order to keep our account in good standing.

Co-operators Co-operative Development Fund: LIFE was recently granted \$7,500 from The Co-operators to enable us to complete the CEPP grant application, and to engage in community outreach. We intend to hold a community meeting in the near future, which will be aimed at building our membership and raising awareness of our projects.



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LIFE's members will be notified when the details are confirmed, and are encouraged to join other members at this meeting.

Community Energy Partnerships Program: The CEPP is funded by the Ontario Power Authority, and managed by the Community Power Fund. CEPP grants are available for both feasibility and regulatory work, and will provide up to \$200,000 for wind projects greater than 1MW capacity. LIFE's project manager has been working with the Board of Directors to prepare the application, and we hope to have word of the results by early 2011. If the application is successful, the next year will be a very busy and exciting time.

Members and Shares

Raising funds is always a concern in starting a co-op, and LIFE is no different from others. Indeed, as our recent budget shows, we will need some \$500,000 in the next two years, and that's before we reach the construction phase. While the CEPP grant may cover a good portion of this, there are any costs that it will not provide for. Among these are the \$11,000 needed when we submit our application to the FIT program, and another \$10,000 when we receive a contract offer from the OPA. We also need to provide at least 10% of all costs covered by the CEPP (which means another \$15,000+ over the next year).

The long and short of it is, LIFE needs to raise substantial funds if we are to continue work toward our goals. We would ask all members to consider purchasing their mandatory preference shares in the near future, even though our offering statement will not be complete for some time to come. The fact is, we need money to get the offering statement ready for submission, as there are a number of details and approvals that need to be taken care of before that can happen.

Perhaps you'd like to give a Preference Share for your loved ones for Christmas. Your gift would be an investment in your community, and in a cleaner energy future.

Recent Events

LIFE had a table at the 3rd Annual ECOFest, held at the Waterloo Region Museum in June. Our booth was well attended, and visitors had lots of questions for Yvonne, Shane and Louis.

Louis Silcox and Shane Mulligan attended the HUSUM Wind Energy Promotional Meeting in June, sponsored by Canada's Technology Triangle. Although we didn't attend the HUSUM event itself (in Germany in August), we learned a lot about the wind product pipeline, and a number of useful contacts were made.

In July, about 30 LIFE members and supporters took a bus tour to meet wind power pioneer Glen Estill of Sky Generation at one of his 3 wind turbines near Ferndale. (<http://www.skygeneration.ca>) Glen shared freely about his



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experiences, from technical issues to policy. At the turbine we were met by Harry French and Roberto Garcia from OSEA, who interviewed the attending board members about LIFE's project.

Upcoming Events

LIFE will be holding its Annual General Meeting on October 30, at 9:30 am, at Angie's Kitchen in St. Agatha. All members are encouraged to attend. We are seeking nominations for the Board of Directors, two of whom will not be running for a second term. LIFE is grateful to Tom Rockenfield for his work as Treasurer, and to Khaled Nigim. Yvonne Zyma has agreed to continue as Board Secretary.

A couple of board members will be attending the 2010 Co-op Conference, hosted by the Ontario Cooperative Assoc. in Burlington on October 20.

Member Profile: Shane Mulligan, Wind Project Manager

Shane has been engaged as Project Manager since July 2010. He comes from a background in environmental and energy policy analysis, and recently completed a postdoctoral research fellowship at the University of Waterloo on the global impacts of energy scarcity. His work with LIFE is oriented toward acting on this research, and in using his research and organizational and writing skills to help LIFE become part of the solution to our energy dilemma. Shane is also the founder of the Meetup Group "Post Carbon Kitchener-Waterloo", which meets in downtown Kitchener. He lives in Kitchener with his wife, Cristin, and their children Sadie (5) and Sam (3).

Membership in LIFE Co-op

If you are not a member yet, you are invited to join us by downloading a membership application form from our website (www.lifecoop.ca). If you are a member, please pass on this newsletter and encourage others to join.