

Descriptions of 2016 Annual Town Meeting Energy Articles

Article 90 (Lease of Town Land for Renewable Energy Projects)

Town Meeting authorization is required for the Board of Selectmen to execute a lease and agreement with a selected private developer for a solar photovoltaic (PV) installation on parcels of land located at the Surfside Wastewater Treatment Facility. At the 2011 Annual Town Meeting, Article 96: "Long-term Lease Authorization: Surfside WWTF" was passed, but did not include the parcels on the site which are currently being investigated for development.



Article 91 (PILOT Agreements for Renewable Energy Facilities)

A selected developer of a municipal solar photovoltaic (PV) installation will be required to pay property taxes for leased land and assets which are installed on Town-owned sites, such as at the Nantucket Memorial Airport and the Surfside Wastewater Treatment Plant. Solar arrays are taxed as personal property, so the owner of the array is subject to taxation even though the array is located on property owned by the town or a tax-exempt organization.

The Massachusetts Department of Revenue allows Towns to enter into Payment in Lieu of Taxes (PILOT) agreements, which enable the Town and the solar developer to establish a negotiated PILOT that meets the Town Assessor's valuation for the term of the agreement. This PILOT would provide the Town with a known annual taxable income stream and would reduce tax uncertainty for the developer. The warrant article is needed to authorize the Board of Selectmen, in consultation with the Town's Assessor and any other enabling authority, to negotiate and enter into this agreement.

Article 92

(Net Metering Credit Purchase Agreements)

The Massachusetts Green Communities Act of 2008 created a net metering mechanism that enables municipalities to acquire discounted electricity credits from renewable energy projects that can be used to offset their own electricity costs. The purpose of this article is to authorize the Board of Selectmen to enter into an agreement to acquire these metered electricity credits from a potential solar photovoltaic energy generating facility. These credits would be used to offset the electric loads of municipal accounts. Town Meeting approval is necessary because the length of the agreement extends beyond the standard three-year contracting period allowed under Massachusetts law.

Article 104

(Municipal Aggregation)

The Town is exploring the feasibility of creating a Municipal Electricity Aggregation. Within an Aggregation, the Town strategically purchases the electricity supply on behalf of its citizens, although National Grid will continue to deliver electricity to the island, care for the poles and wires, provide customer service, and restore power when there is a service interruption.

Aggregation is allowed by Massachusetts law and is growing in popularity as model to achieve: cost savings, price stability, greener power, reputable and transparent supply contracts, and increased supply competition.

This would be an optional alternative for the customer and participation would not be required. Under a Municipal Aggregation, individual residents and businesses would retain the right to opt-out of the program with no penalty and to choose any other competitive supplier or stay with the default utility (National Grid). The Town will bear no cost in forming a Municipal Aggregation, and has selected Peregrine Energy Group to assist with the plan development, regulatory approval, electricity supply procurement, and public education and outreach efforts at no cost to the Town.

Implementing a municipal electricity aggregation is a highly regulated process that is overseen by the Massachusetts Department of Public Utilities (DPU) and takes many months, sometimes up to one year until program launch. Annual Town Meeting approval is required to initiate the aggregation process. Once that occurs, an aggregation plan will be developed for local and state approval.