

CITY COUNCIL WORKSHOP

FERC License Renewal and Information on the Sale of the Hydroelectric Plant by the Present Operators.

November 7, 2016 - 6:15 P.M.

Councilors Pepin, Soldati, Dumont, McCallion, Messier, Witham, Cameron and Paradis were present.

Deputy Mayor Soldati opened the workshop at 6:15 pm.

Conrad St. Pierre, Director of Hydro Operations & Maintenance of Enel, shared about the plant and the requirements of relicensing. The Federal Energy Regulatory Commission (FERC) is a Federal agency that licenses the dam, impoundment, penstocks, powerhouse, 4 generating units at the Lower Great Falls Hydroelectric Project.

The Lower Great Falls Hydroelectric Project is owned by the City of Somersworth and the Somersworth Hydro Company, Inc. It is operated and maintained by the Somersworth Hydro Company, Inc.

The current license expires on April 30, 2022. There is a lengthy renewal process. They must declare intent to seek a new license 5 years prior to relicensing, and the application must be submitted 2 years prior. City of Somersworth and Somersworth Hydro Company, Inc. are co-licensees.

Mr. St. Pierre explained the PILOT payments and the Lease payments which are calculated based on the net income.

Councilor Soldati asked if this was the first time for relicensing, and Mr. St. Pierre said yes. The licensing runs 35 to 50 years and the new license will run no less than 30 years.

Councilor McCallion asked about upgrades to the facility. Mr. St. Pierre said it was rebuilt in 1991 and is in excellent shape. Two penstocks were replaced in 2002 and 2 more still need to be replaced. The turbines and building are in great condition, but the left abutment needs some work.

Councilor McCallion said some of the annual lease payments over the past few years, seem bleak. Mr. St. Pierre explained that 2 units generate 80% of the energy. The units need water to operate and we have had some dry years.

Councilor Messier said the business is generated by rain. He believes they should extend the contract. We can't run it and we can't let it sit. The lease limits the City's liability.

Councilor Soldati asked for clarification. They are asking the City to sign the application. Somersworth Hydro Company needs a letter from the City stating that they

can act on the city's behalf. Both the City of Somersworth and the Somersworth Hydro Company, Inc. will need to sign.

This was referred to the Public Works and Environment Committee for further review and discussion.

With no questions from the Council, the Deputy Mayor closed the meeting at 6:48pm.

Respectfully submitted,

Trish Harris, City Clerk