

Statement of Principles

Operation of Wind Energy Facilities

Town of Falmouth - Waste Water Treatment Facility

The Presentation of this statement of principles or the release of this statement to the public is not intended as an admission of liability on the part of the Town of Falmouth, the Board of Selectmen or any town officials. The town and the Board of Selectmen reserve all rights to raise whatever defenses are available or may be available in any future litigation or against any present or future claims.

Short Term Operations - Fiscal 2013

July 1, 2012 – June 30, 2013

To ensure that our community has the financial and environmental capacity to provide clean water for this and future generations of Falmouth, the Board of Selectmen has adopted fiscal, energy sustainability and energy conservation goals. These goals are outlined in our Climate Protection Action Plan and Five Year Strategic Plan as well as in our Financial Policies. In response to our goals, your Town Departments have developed projects and programs. The Town sought and received grants to upgrade industrial scale motors and pumps and equipment throughout our utilities, install solar panels at the Gus Cauty Recreation Center, Town Hall, and the Crooked Pond Well site, has modernized street lighting, improved building envelope and HVAC operations throughout the town, and installed wind turbines at the water quality and treatment facility, among others.

We recognize that our community tolerance for Wind generators has been tested by both our municipal turbines and several private neighborhood scale and industrial scale turbines throughout our community. The Town is prepared to address the negative impacts expressed by residents neighboring our two turbines on our facilities. We have embarked on a review of alternatives to mitigate negative experiences reported. A facilitated review is actively underway and we ask Town Meeting to indefinitely postpone Articles 23 and 27 to allow the Town

to continue the process to thoroughly evaluate and to begin to implement these options.

To assist Town Meeting to come to this decision, the Board of Selectmen has adopted the following statement of operational principles for the remainder of Fiscal 2012 and Fiscal 2013:

1. The Operational Plan will be responsive to the negative impacts expressed by residents neighboring our municipal wind turbines located at our water quality and treatment facility.
2. The Plan will be responsive to the Town's need to generate enough renewable energy in Fiscal 2013 to meet the Town's annual operating costs including the cost that may be associated with short-term planning; a total of \$624,000. (\$524,000 debt/operating costs plus \$100,000 for additional services/mitigation).
3. In addition to annual expenses, the operating plan will offset \$146,000 in energy demand/budget for the Wastewater Division.
4. The Town of Falmouth has several outstanding legal actions related to the operation and installation of Wind I. The operating plan adopted will limit additional Municipal exposure inasmuch as the operational plan influences the strength of the Town's defense of these actions.
5. The Town, with the assistance of the Consensus Building Institute and our technical consultants, will convene a brief process to develop alternatives for Fiscal 2013 during the months of April – June 2012. A final operating plan meeting the goals established in items 1-4 will be presented to and adopted by the Board of Selectmen.
6. The Board will adopt this one-year, short-term plan prior to July 1, 2012.
7. This Board may adopt alternatives as the facilitation process continues but at no point will the operating plan result in a budgetary deficit in Fiscal 2013.

8. In the immediate term, April 3, 2012 – June 30, 2012, Principles 1, 4, 7 and 8 shall apply. The Board has adopted the following operating plan:

April 3-April 17 – Continue Wind II curtailment at 10mps.
Wind 1 remains off

(Subject to Vestas confirmation)

From April 18 – May 15, 2012, the Town will resume operations of Wind I in 10mps curtailment mode and will operate Wind II with an increased cut in speed from 3.5mps to 8mps from 12:00 Midnight to 3:00 AM implemented as soon as practicable. In addition to aforementioned curtailment and increased cut in speed, the Town will shut down Wind I and Wind II from 10:00 PM to 6:00 AM from May 15, 2012 – June 30, 2012. Alternate strategies may develop upon review of CBI, DNV and AccenTech reports and may be considered by the Board during this period. The turbines may be shut down or operated up to full capacity periodically as needed for testing, repair and scheduled maintenance.

9. On or about April 12, 2012, the Consensus Building Institute, a neutral facilitator, DNV and AcenTech, the Town's technical consultants, will present their review and findings to the community and stakeholders.
10. In Article 18 of the Annual Town Meeting Warrant, the Board of Selectmen will present a motion requesting Town Meeting to appropriate an additional \$48,000 from the Energy Receipts Reserve fund for the purpose of supporting the review and evaluation process.
11. The Town is involved in a public long range (permanent) planning process and asks Town Meeting to allow this process to continue to unfold.

Adopted April 2, 2012

Mary Pat Flynn, Chairman

Melissa Freitag, Vice Chairman

Brent Putnam

David Braga

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