“EMPOWERING THE SENECA NATION”

Anthony Giacobbe – Director of Power & Gas
Seneca Energy
Mission Statement

• The MISSION of Seneca Energy is to ensure the security, prosperity and independence of the Seneca Nation by building a sustainable energy platform and lowering energy costs for the Nation and its residents.
Framework for Success

Leadership

Team Development

Capital Investment

Perseverance

Determination

Strategic Vision
Energy Vision/Strategic Planning

- Identify stakeholders
- Form Leadership Team
- Compile Strategic Energy Plan
- Develop Energy Vision
- Assess needs & resources
- Develop Specific Goals
- Prioritize Projects
- Identify Financing Options
- Measurement & Verification & Plan Alterations
Strategic Planning

- Long-term strategy
- Clear path to reach goals
- Game plan for short- and long-term
- Guidance for dealing w/ challenges
- Opportunity to engage stakeholders
Strategic Planning

- DOE First Steps Grant for Strategic Energy Planning
- DOE NREL Anemometer Loan Program
- Tribal Energy Program – Clean Energy Deployment Grant (2015)
- DOE First Steps Grant for Energy Organization Planning
- Seneca Energy Established – 2011 (staffed 2014)
- DOE Energy Efficiency and Conservation Block Grant
- DOI Strategic Energy Planning Assistance
Energy Vision

- Energy Sustainability
- Reduce Energy Costs
- Improve Infrastructure
- Economic Development
- Environmental Benefits
- Utilize Natural Resources
- Workforce Development
- Energy “Hub”
Business Structures

Native Nation/Tribal businesses can be formed through multiple processes

- Federal charter under Section 17 of the Indian Reorganization Act
- Corporation chartered under tribally enacted laws
- Under a state’s incorporation laws
- Limited liability company (LLC) organized under either a tribal or state law
Section 17 Corporation

- BIA approves and issues corporate charters
- Submit a resolution petitioning for issuance of a charter to BIA
  - Describe details regarding business purpose, how it will be managed, powers and limitations
- The BIA regional director will sign and submit a Certificate of Approval
Section 17 Advantages

- Preserves tribal assets
  - Wholly owned by Nation/Tribe
  - Separate and distinct
- Sovereign immunity removes any Nation/Tribal gov’t property and assets from risk during a default
- No federal income taxes
  - Whether operating on-or-off the territory
Section 17 Disadvantages

- Inflexible
  - Act of Congress to dissolve corporation
- Minimal statutory definition
  - State laws governing all aspects of the formation, management, operations, and dissolution of state-charted corporations
  - The absence of comprehensive corporate statutes may increase litigation risk and make prospective business partners hesitant to enter into contracts
A tribally chartered corporation is an entity organized pursuant to a tribal code or resolution:

- The corporate charter will specify the management structure to be employed by the corporation.
- Run by a BOD elected by the corporation’s shareholders.
  - Often, the sole shareholder is the Nation/Tribe.
- The board selects an executive to oversee the corporation’s day-to-day operations.
**Tribally Chartered Advantages**

- **Avoidance of state regulation and taxation**
  - Will not be subject to state control or taxation

- **Easy to form**
  - Formed by the tribal government
  - No approvals obtained from federal government or state authorities
**Tribally Chartered Disadvantages**

- Potential lack of transparency for lenders and partners
  - May have trouble accessing capital and attracting joint venture partners due to lack of reporting
- Potential federal tax liability
  - Because Nations/tribes are exempt from federal taxation, the IRS will exempt tribally chartered corporations that operate as an “integral part” of the Nation/tribe
Project Implementation Phase II

- Contracting
- Permitting / Approvals
- Construction
- Utility Interconnect
- Post Construction Admin., Monitoring and O&M
Turbine Construction
Rotor Fly
1.5MW Vensys Wind Turbine

**Highlights**

- Investment: $3.5MM
- $2.5MM grants
- Commissioned: 3/8/17
- Power: Virtually Net-metered
- Over 4MM/kWh produced
- ~$500,000 revenue generated
- Community Benefits - $25 credit
- Project payback: ~8 years

**Generation/Emissions Stats**

- ~3.5MM/kWh annually
  - 430 homes powered/yr.
    - NYS 7,200 kWh/avg.
  - 4.3MM lbs./CO2 annually
  - 147 cars off road/annually
Federal Grants

- Bring down overall cost of project
- Not a source of long-term funding
- Feasibility grants through BIA, DOE & DOI
- DOE Deployment and Implementation Grant
- Timeframe/Oversight Expectations
Net-metering (NM)/Virtual net metering (VNM)

Billing mech. that credits energy sys. owners for electricity added to the grid

Customers are only billed for their “net” energy usage

VNM allows credits to offset load at multiple retail acct.’s within service territory

Credits appear on invoices the same as traditional net metering

Varies State-to-State
1.9MW Solar Array

Highlights

- Investment: $3.4MM
- Commissioned: 10/16/17
- Power: Virtually Net-metered
- Site: 7 Acres
- Project payback: TBD
- Financing:
  - Self-Funded Construction
  - USDA -RUS Loan Application
DOE Tribal Energy Loan Guarantee Program (TELGP)

Guarantees up to $2B in loans to support energy economic opportunities

Guarantees up to 90% of the unpaid principal and interest

Borrower required to invest equity and all debt will be provided by non-federal lenders

https://www.energy.gov/lpo/tribal-energy-loan-guarantee-program
USDA Rural Utilities Services (RUS) Loan

Provides much needed infrastructure to rural communities

Includes water and waste treatment, electric power and telecommunications services

Helping to expand economic opportunities and improve the quality of life for rural residents

https://www.rd.usda.gov/about-rd/agencies/rural-utilities-service
Projects

Highlights

- Agricultural Dept. PV – 88 kW
- Catt Fish Hatchery PV – 8 kW
- Allegany Fish Hatchery PV – 10 kW
- Oak Tree Housing PV – 10 kW
- Residential solar loan program
- LED lighting installations
- Natural gas pipeline replacement & expansion
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