



SENECA
NATION OF INDIANS



SENECA ENERGY

***“EMPOWERING THE SENECA
NATION”***

*Anthony Giacobbe – Director of Power & Gas
Seneca Energy*

Seneca Nation of Indians

Locational Map of the Territories

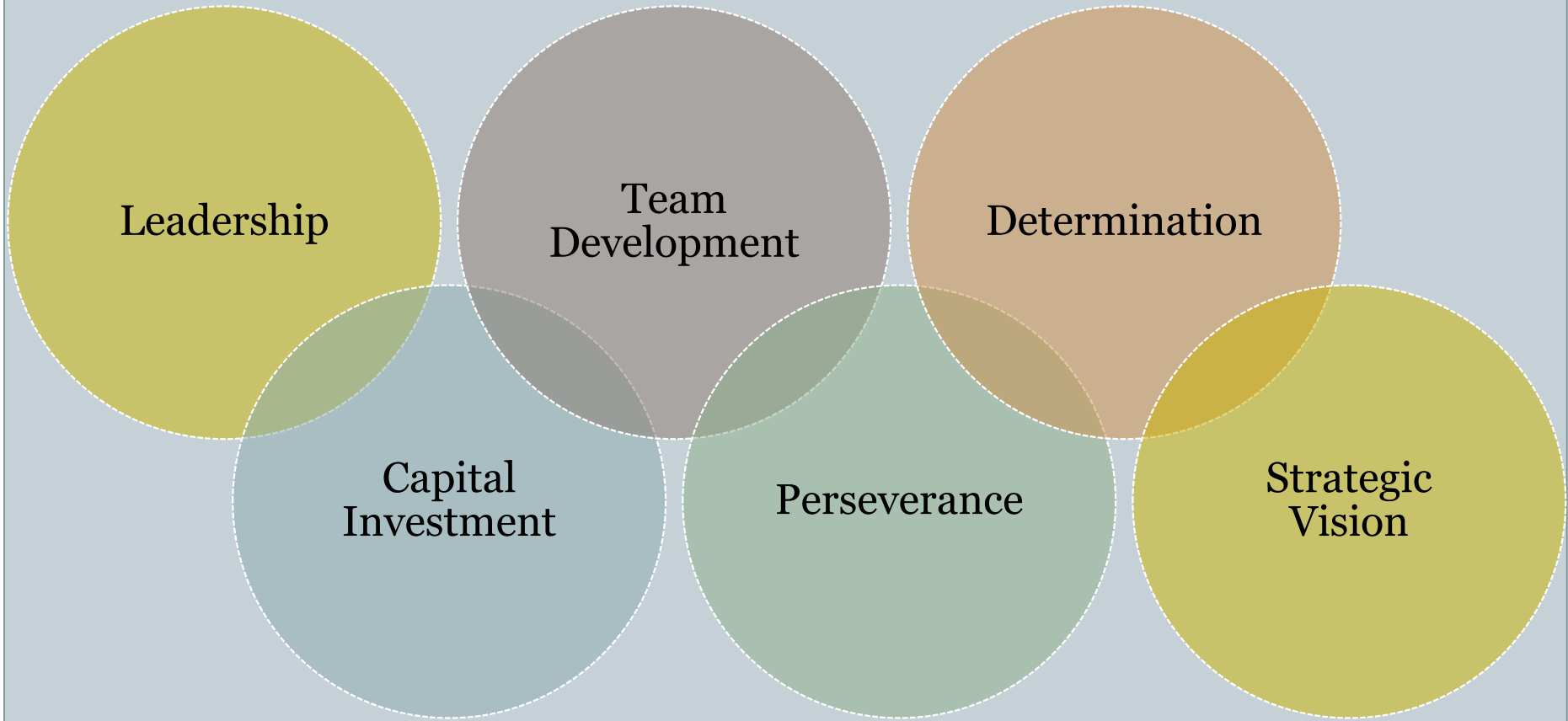


Mission Statement

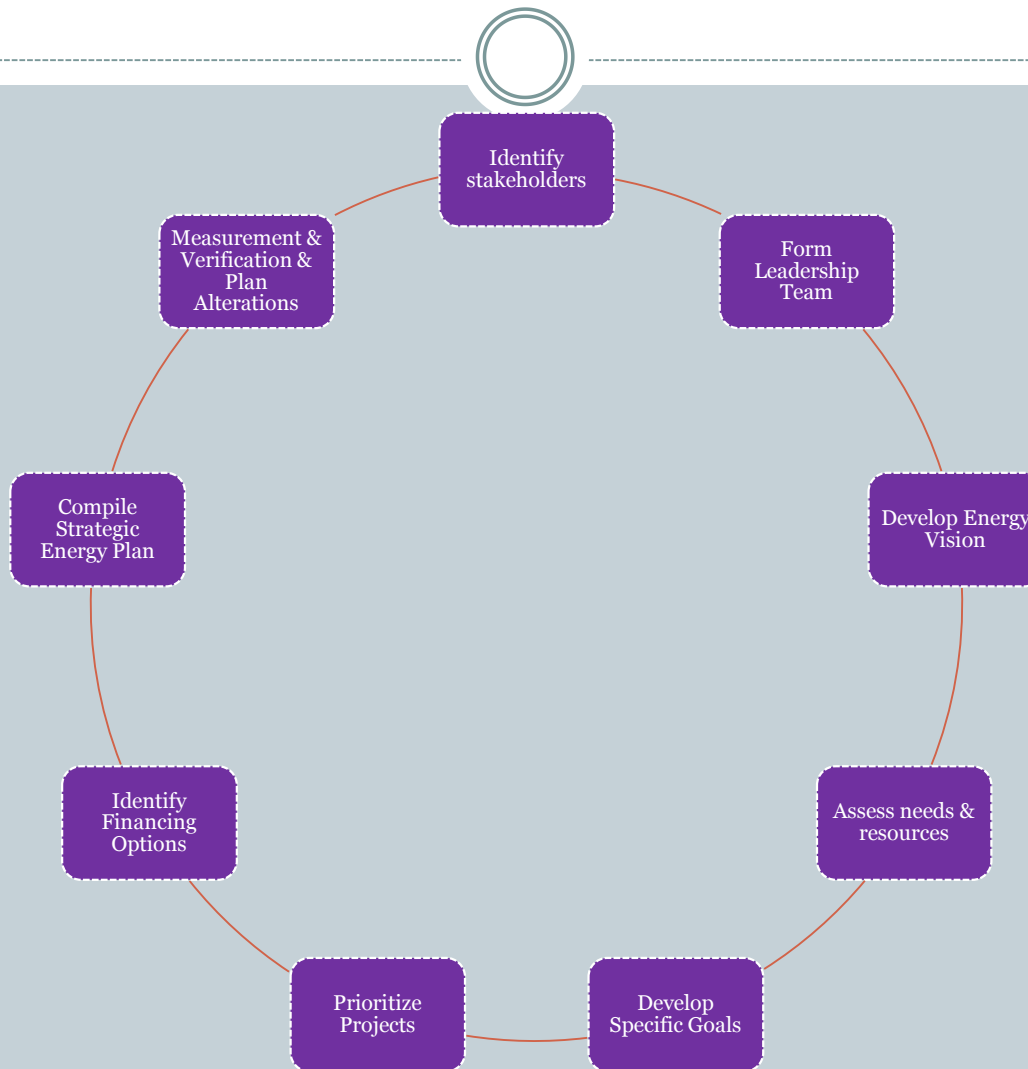


- **The MISSION of Seneca Energy** is to ensure the security, prosperity and independence of the Seneca Nation by building a sustainable energy platform and lowering energy costs for the Nation and its residents.

Framework for Success



Energy Vision/Strategic Planning



Strategic Planning



Long-term
strategy

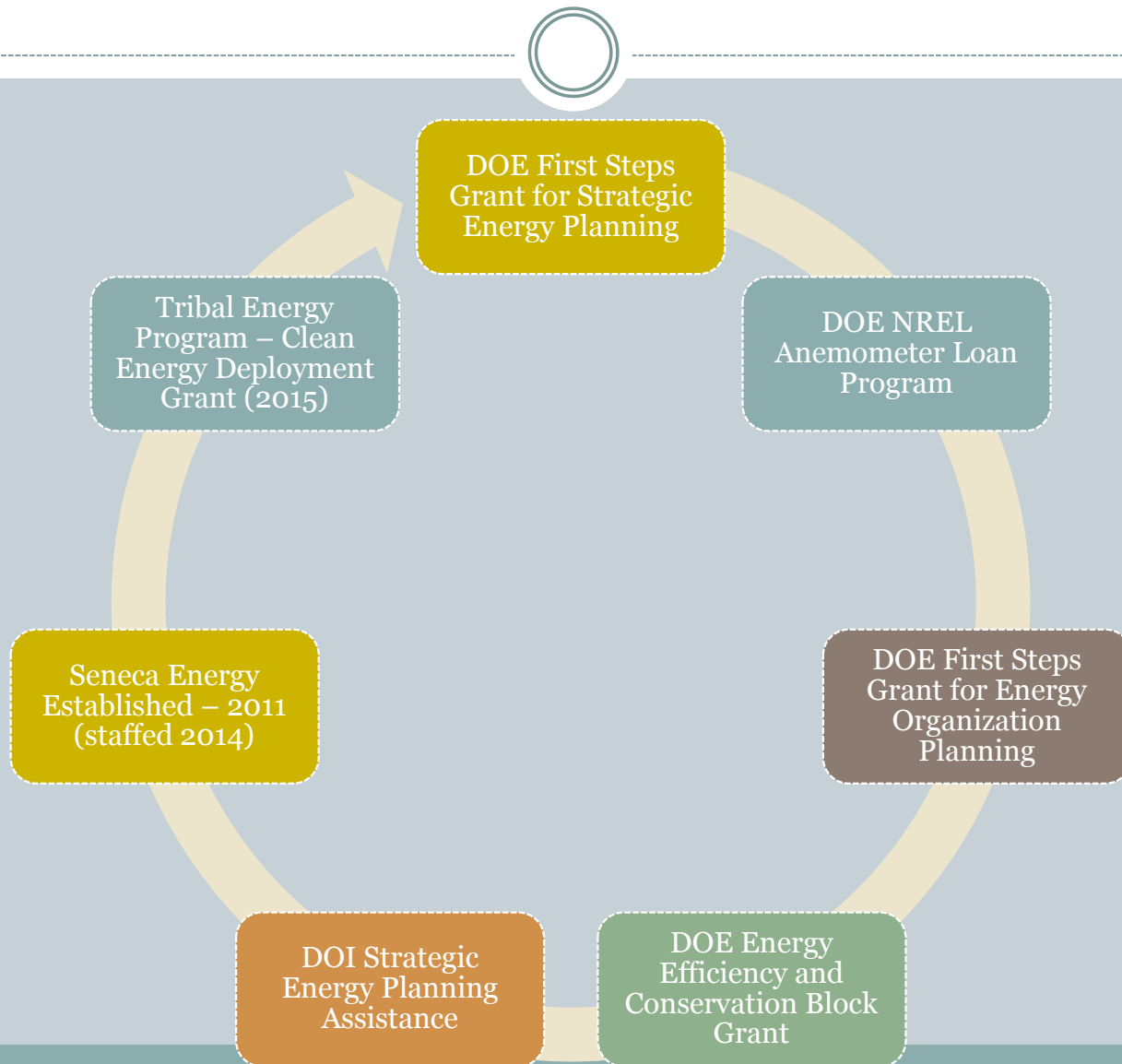
Clear path to
reach goals

Game plan for
short- and
long-term

Guidance for
dealing w/
challenges

Opportunity
to engage
stakeholders

Strategic Planning



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

Tribally Chartered Corporation



- 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



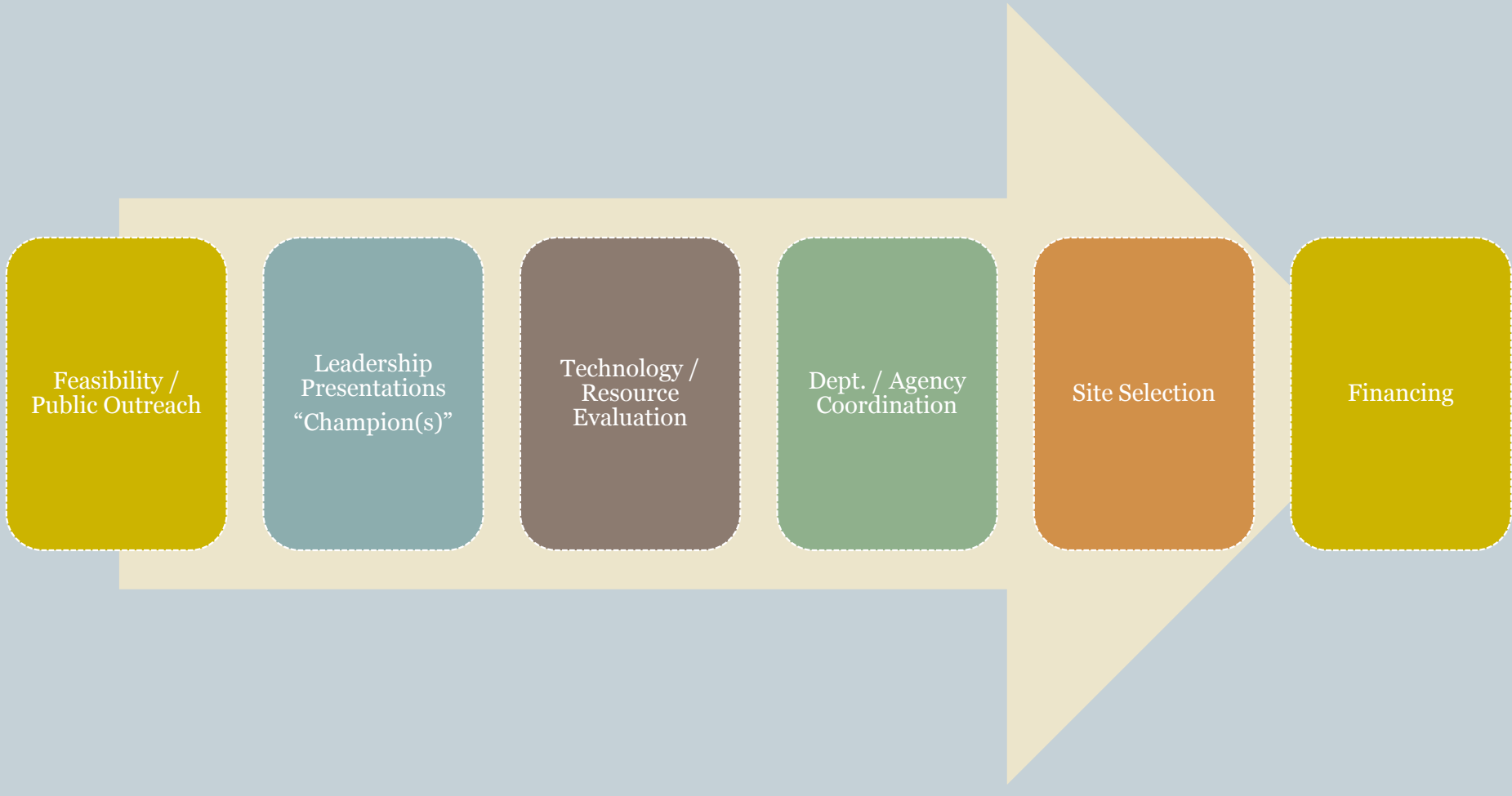
- Avoidance of state regulation and taxation
 - Will not be subject to state control or taxation
- Easy to form
 - Formed by the tribal government
 - No approvals obtained from federal government or state authorities

Tribally Chartered Disadvantages

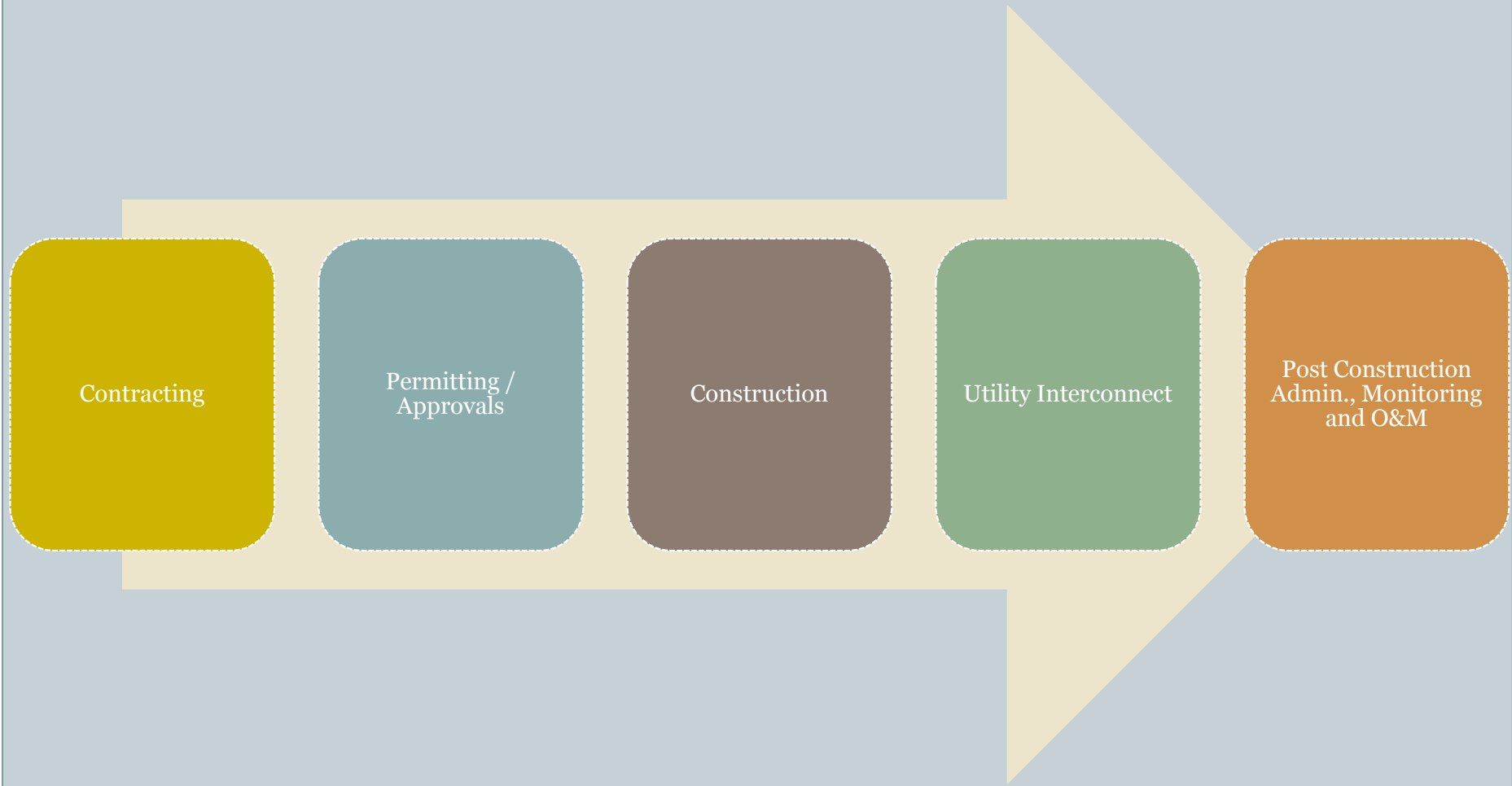


- Potential lack of transparency for lenders and partners
 - May have trouble accessing capital and attracting joint venture partners due to lack of reporting
- Potential federal tax liability
 - Because Nations/tribes are exempt from federal taxation, the IRS will exempt tribally chartered corporations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

Project Implementation Phase I



Project Implementation Phase II



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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