



Alan Stearns &lt;alan@rrct.org&gt;

**Re: Sparhawk (Municipal lease, hydropower generation, fish passage)**

1 message

Alan Stearns &lt;alan@rrct.org&gt;

Wed, Feb 8, 2017 at 9:52 AM

To: Nat Tupper &lt;ntupper@yarmouth.me.us&gt;

Cc: Alan Stearns &lt;asteams@rrct.org&gt;, Andrew Kittredge &lt;AKittredge@yarmouth.me.us&gt;, David Craig &lt;DCraig@yarmouth.me.us&gt;, James MacLeod &lt;JMacLeod@yarmouth.me.us&gt;, Pat Thompson &lt;PThompson@yarmouth.me.us&gt;, Randall Bates &lt;RBates@yarmouth.me.us&gt;, Robert Waeldner &lt;RWaeldner@yarmouth.me.us&gt;, Tamson Bickford\_Hamrock &lt;TBickford\_Hamrock@yarmouth.me.us&gt;, "cswartley@progression-energy.com" &lt;cswartley@progression-energy.com&gt;, Jeremy Bell &lt;jbell@tnc.org&gt;

Nat:

Thank you for the update.

My June 20, 2016, correspondence to the Council remains a good characterization of my best thinking on how to proceed, in part because it restates and carries forward our February 1, 2016, correspondence. That correspondence is posted here: <http://rrct.org/water-quality-royal-estuary-bay-and-tributaries/>

Importantly, consistently, RRCT has communicated its firm commitment to restoration of fish passage in Yarmouth, as a step toward a healthier river and healthier Casco Bay. Equally importantly, RRCT continues its genuine invitation for open dialog and communication. Our commitment to a healthy river includes growing dialog on goals of a healthy community; we are committed to exceptionally hard work to look for consensus and joint investment rather than conflict.

At the same time, as we stated in February 2016, shielding future fish passage discussions (lease negotiations) under the FOIA umbrella of business negotiations would frustrate our goal of all of us working together. As the town explores its public process requirement, please also explore your public process opportunities and vision. Yarmouth has a strong and deserved reputation of transparency.

I will reach out again to Chris Swartley today to continue dialog you helped facilitate between Chris and The Nature Conservancy in Maine some months ago. My offer to meet with you and the Council also remains, and to bring resources toward good dialog.

I've updated you regularly, that The Nature Conservancy has invested considerable private funds to explore the costs and benefits of various fish passage alternatives at Bridge Street. While those studies are not complete, they will inform our work in the coming year as we all pledge to work together.

I've copied Jeremy Bell of The Nature Conservancy in Maine here.

Today, fish passage at Bridge Street is all-but non-existent. Basic public safety issues, per FERC, are unattended due to lack of response and effort. I look forward to working with you to do better.

Thank you, and Yarmouth's Council, for tireless and hard work toward Yarmouth's future, the future of the Royal River, and the future of Casco Bay.

Thanks,

Alan



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On Wed, Feb 8, 2017 at 8:36 AM, Nat Tupper &lt;ntupper@yarmouth.me.us&gt; wrote:

Alan-

You have requested that I inform you of any change in circumstances regarding the Sparhawk Hydroelectric facility...which has been non-operational for quite some time. This note is to honor that request.

Yesterday, Chris Swartley of Progression Energy contacted me to let me know that Alan Jagger (Sparhawk Mill owner) had finally secured a release (cancellation) of a power purchase agreement which had been precluding him from assigning any rights of power generation/sales that the mill might produce. As I understand it, this formal termination of the power purchase contract now enables Jagger to enter into negotiations with Progression (or others) to re-invest in the potential hydroelectric generating capacity at the mill as a "tenant" of the mill, and Swartley's call was to inform me that he hoped to do just that. The Sparhawk Mill's hydroelectric capacity relies on water fed through the penstock at the Bridge St dam, which is owned by the Town (the dam, not the penstock). A lease between the mill owner(s) and the town authorizing such beneficial use of the dam and penstock lapsed months ago and has not been renewed or extended. Therefore, Swartley's call was also to notify me of his desire and readiness (within the month) to begin negotiations with the Town Council about (re)establishing such rights or lease terms for the dam and flowage.

I do not fully know all the necessary steps and challenges ahead for Progression Energy to successfully install and operate a hydro-electric generating facility at Sparhawk Mill and/or the Bridge St dam, but I believe several of the major hurdles will likely include:

- Negotiation and Agreement of terms with Alan Jagger regarding tenancy and use of the mill facility
- Negotiation and Agreement of terms with the Town of Yarmouth regarding a lease or use agreement or license for the dam and flowage.
- FERC license or "Exempt Facility" certification and transfers
- CMP interconnection and power wheeling or metering agreements
- Any applicable town, State or Federal environmental or land development permits
- Economic and business assessments to secure a reasonable ROI (including any tax credit incentives or implications, perhaps)
- Construction Engineering and technical design, equipment selection and acquisition and installation.

Chris informed me that his business travel schedule prevents him from starting further discussion with the Town for another 2-3 weeks, but asked me to inform the Town Council of his request so that the Town can start to think through its own interests and public process requirements. As you know, the Town Council has not been engaged or discussed matters related to the dam since September 2015 and so I have no direction or indication from the Town Council yet on how they would like this requested handled or responded to. I will now be asking them for advice and direction on this matter.

You may share this communication as you see fit.

Thank you,

Nat Tupper, Town Manager

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