

I am pleased to provide this, my 16th, report for the Town's hydro-electric generation plant. The Plant went officially online in February 1985 and in 30+ years has generated 68,685,120 GREEN kilowatt hours and produced over 5.6 million dollars. After retiring the original \$1.2M bond for the plant, the balance has been used to offset many building expenses for the Town, saving taxpayer money in interest expense.

2015 was a below average year, by 25%, with total production at 1,663,360 kilowatt hours and electricity sales of \$105,495.55, resulting in an average price of \$0.0634/KWhr. If it hadn't been for an extremely profitable first quarter, revenues would have been dismal at best. The average energy price for March was \$0.12484/KWhr. However, and this is a BIG however, energy prices plummeted from there on, only slightly recovering by year end. June's energy price, of \$0.014/KWhr, was some of the lowest energy pricing in this century. An abundant supply of cheap natural gas, which generates between 50% and 60% of the electricity in New England, was the culprit.

The Town sold 2,290 renewable energy credit certificates and received a total of \$58,687.44 in renewable energy credit income, after a 3% management fee. Sunapee works with an aggregator to effectively market these credits, which are bought by utilities to satisfy renewable energy portfolio requirements. These credits are paid quarterly and averaged \$25.63 per megawatt hour (\$0.02563/KWhr) in 2015.

The plant was off-line for 109 days, 30% of the year, due to insufficient river flow, which is regulated by the State of NH Department of Environmental Services Water Resources Board. The discharge comes directly from the dam in the harbor and is based on Lake level and time of year. I work diligently with the State to maintain a productive flow of water and avoid excessive discharges, which "waste" water that could later be used for generation.

2015 was also the first year that power producers experienced the full effect of a phenomenon known as negative energy pricing. This occurs when the generation capacity is high and the demand for electricity is low. ISO-New England, which is "command central" for the distribution of generated electricity, instituted this policy in December of last year. Depending on the surplus of capacity, at a given time, the producers are actually charged a penalty for their generation, up to a maximum penalty of \$0.15/KWhr. Sunapee suffered a penalty of \$1,145.11 due to negative energy pricing in 2015, which usually occurred in the wee hours of the morning.

In closing, I would like to thank Joe Adams and Jeff Collins for their continued commitment as assistant plant operators.

Respectfully submitted,

Robert Collins, Plant operator