

TOWN OF IPSWICH

UTILITIES DEPARTMENT



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WIND TURBINE DELAYED, NOT STOPPED

Plans for the wind turbine on Town Farm Road changed again last month when the turbine supplier, AAER of Canada, filed for bankruptcy protection on April 8, 2010. "Once again, we're faced with figuring out the most viable, cost-effective way to proceed," confirmed Tim Henry, Utilities Director. "Fortunately, we have options."

AAER had been awarded a contract by Ipswich at a time when turbines were in very short supply nationally. Unlike other prospective vendors, AAER had committed to delivering the turbine in a reasonable timeframe, at a below-budget cost.

"We fully understood the nature of working with a start-up company," Henry says. Had the deal gone according to plan, Ipswich would have benefited from the best terms available. However, steps were also taken to guard against risk. Ipswich made only a one percent down payment to AAER.

"The wind turbine has been a complicated project to move forward," Henry admits, adding, "Nevertheless, the Light Department is committed to seeing it through." The merits of doing so are worthwhile and multiple. The turbine would contribute clean energy for the town, budget relief for the schools, and a hedge against future energy prices for ratepayers.

AAER will submit its reorganization plan to the courts in June. If the company is allowed to restructure, the Ipswich turbine could roll off their assembly line in a few months. Many of the turbine components are already waiting in queue in the AAER factory.

At the same time, the Light Department is pursuing other courses of action that hold potential promise. Requests for proposals are being prepared in an effort to replace AAER with another, more stable vendor or to create a public/private partnership. In the latter scenario, a third party would own the turbine and the town would purchase its power.

Some of these options could play out quickly. Others would take time and would require citizens' support at town meeting. "Basically, we're keeping all of our options open so we can make the best choice going forward," Henry says. "We'll start by reviewing the costs and variables associated with each possibility."

The decision on how to proceed will be reached collaboratively. The Light Department and the Electric Light Subcommittee are working with the School Committee, the Board of Selectmen, and the Town Counsel.

To date, about \$700,000 has been invested in feasibility studies, transmission line upgrades, foundation designs, and site engineering. "Though it may not be readily evident to the public, we've done a lot of work on this project already," Henry confirms. "It's not a matter of whether we'll finish it – it's simply a matter of how and when."

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