

## **ORPC's Partnership with City of Eastport is Key to Company's Success**



**ORPC's John Ferland (standing, far right) presents to the Eastport City Council.**

On June 14, 2010, ORPC-Maine Vice President of Project Development John Ferland presented the Eastport City Council with a summary of ORPC's economic impact on Eastport and neighboring towns. Since 2007, the company has launched two successful tidal energy projects in Eastport, and has spent more than \$2 million on payroll, contractors, and goods and services in the area.

"We value the strong partnership we share with the city of Eastport and feel that this relationship is vital to our success," Ferland said. "Our project benefits strongly from the fabrication, office and boat access infrastructure that the City leases and provides to us. We are grateful to the City of Eastport for all it has done to support our project activities. We remain focused on our vision and are confident that our partnership with the City of Eastport, the strong participation of the Eastport Port Authority and local contractors, and the support of the community will continue to help us blaze a path to success."

ORPC is indebted to the City of Eastport and to the Eastport community for their support of the company's efforts to generate clean, predictable and affordable energy from the region's tidal currents. The attached letter contains full details of ORPC's economic impact and anticipated growth.



**John Ferland**  
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June 10, 2010

Capt. Robert Peacock, Chairman  
Eastport City Council  
78 High St.  
Eastport, ME 04631

Dear Chairman Peacock and members of the Eastport City Council,

Ocean Renewable Power Company (ORPC) truly values the strong partnership we share with the City of Eastport and feels that this relationship is vital to our success as we seek to generate clean, predictable and affordable energy from tidal currents. We are thankful that the city leases us necessary infrastructure such as office space and the fabrication, maintenance and operations facility at the Maine Marine Technology Center, while allowing direct access to our tidal energy sites via the public boat ramp.

As part of our continuing efforts to keep the city council, city administration and the community informed about our efforts, we are providing this summary of economic benefits the area is receiving as a result of local support for tidal energy development:

**Direct Economic Impacts (Figures include City of Eastport and neighboring communities)**

- Over the last three years, ORPC has spent more than \$2 million on payroll, contractors, materials and supplies, lodging, fuel, meals and various other goods and services. Most of this has been spent in the last year and a half. A breakdown of these expenditures is given below:

Three Year Totals

Category	Expenditure
Payroll	\$222,000
Contractors	\$1,452,000
Materials & Supplies	\$184,000
Lodging, meals, transportation and fuel	\$122,000
Misc.	\$73,000
Total	\$2,053,000

- We anticipate this level of expenditure to continually and significantly increase as our tidal energy project activities increase in the future.



- We directly employ 3 people in our Eastport office and work with several local contractors, who have employed approximately three dozen people in support of ORPC's tidal energy project work. As project activities unfold over the next year, there will be increased contractor and direct hire opportunities.

### **Indirect Benefits**

- Since 2007, ORPC's efforts in Eastport have created spending of more than \$5 million statewide and provided work for more than 80 people in eight Maine counties. Most of this also has occurred in the last year and a half. This example of Eastport's economic reach has been important for solidifying Legislative and Congressional support for continued investments in tidal energy research, development and environmental monitoring. This has also been very positive for Eastport's image by illustrating how important the community is to Maine's energy, economic and environmental future.
- ORPC's tidal energy sites in the Eastport area are considered the best on the East Coast for tidal energy generation and the city has become a nationally-known center for tidal energy development. This is resulting in an increasing number of visitors to Eastport. Our location downtown is conveniently close to the Quoddy Dam model and we incorporate this historical educational opportunity as part of our tours. Our operations center is able to double as a training center that orients contractors, existing and potential project partners, and ORPC employees from other regions so they can apply elsewhere the lessons learned from Eastport regarding technology and project development, project site assessment, community partnerships and the types of local marine services, skills and expertise necessary for project success.
- Eastport's tidal energy experience is the first tangible step forward in the ocean energy industry in Maine. As the first private ocean energy development in the state, ORPC's Eastport tidal energy project is setting important precedents in environmental permitting and monitoring, workforce training, supply chain development, and scientific and engineering advancement that will be enablers for future offshore wind, wave and other tidal projects. This all bodes well for local workforce development, growth for local companies and professional opportunities for young people.

### **Anticipated Growth**

- Following completion of this year's temporary tidal energy project in Cobscook Bay, ORPC will embark on a \$7 million project to install its first grid-connected tidal power generation system in late 2011. Consistent with ORPC's history, we anticipate a substantial percentage of these funds to be spent in Maine, with a cluster of spending in the Eastport area. This may well be the first grid-connected tidal energy generating system in the United States, the first Pilot Project to be licensed by the Federal Energy Regulatory Commission and the first General Permit for a tidal project granted by the Maine Department of Environmental Protection. The success of this project will only enhance Eastport's reputation as a tidal energy center and will establish Eastport as the "Kitty Hawk of tidal energy."



- Following a year of performance and environmental monitoring, we anticipate expanding the pilot project to up to 5 MW through 2015, requiring an investment of over \$28 million. A project of this scale would help create and retain approximately 75 jobs locally, with additional employment resulting from indirect impacts.

In closing, please note that while we aggressively pursue our renewable energy vision, we continue to face many challenges. Private financial markets remain difficult to tap because of the challenges of the recession and the risks inherent in first-of-a-kind technology. Competition for the limited public funding that is available from state and federal sources is fierce. Because the environmental permitting process of tidal energy development is new, the direct path to licensing is not always clear and the process is expensive. And, as the Eastport community is well aware, the marine environment is always challenging and sometimes unforgiving. Nevertheless, we remain focused on our vision and we are confident that our partnership with the City of Eastport, along with the strong participation we have in our project from the Eastport Port Authority and local contractors, will continue to help us blaze the path to success.

We are committed to keeping you, our partner, informed and look forward to providing periodic updates about our project activities as we proceed. Thank you for your time this evening.

Best Regards,

A handwritten signature in black ink, appearing to read "John Ferland", written over a horizontal line.

John Ferland  
Vice President - Project Development