



SENECA NATION

Energy Organizational Development

A "First Steps" Grant

November 8, 2007

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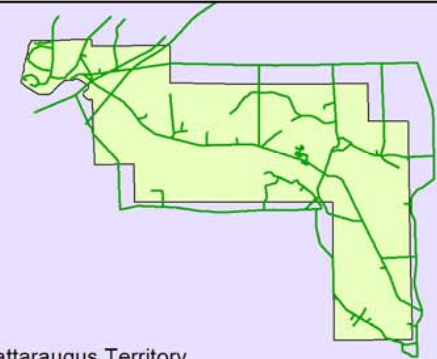
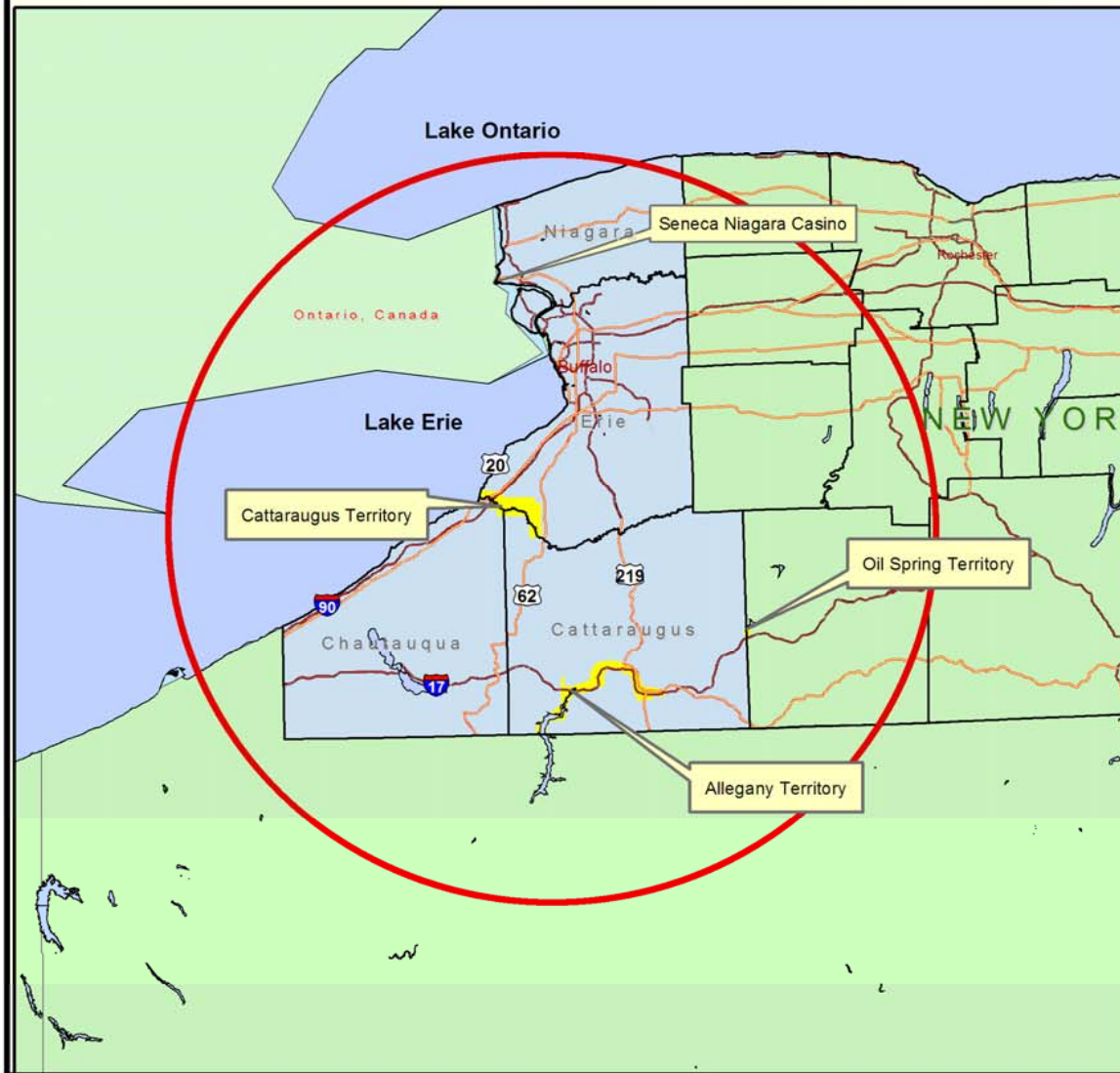
- ◆ In appreciation & Acknowledgment:
 - **Seneca Nation Council**
 - ◆ Arlene Bova, Councilor & Energy development advocate
 - **Dept. of Energy, Tribal Energy Program**
 - ◆ *First Steps Grant for Strategic Energy Planning*
 - ◆ *NREL – Anemometer Loan Program*
 - ◆ *First Steps Grant for Energy Organizational Planning*

SENECA NATION Location



SENECA NATION OF INDIANS

Locational Map of the Territories

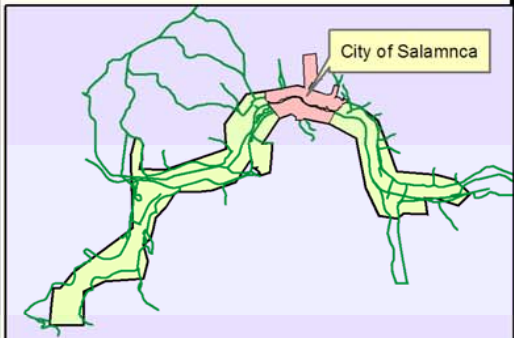


Cattaraugus Territory

Geographic Information Services



-  Seneca Nation Territories
-  Western New York Counties



Allegany Territory

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- ◆ Background:
 - Enrolled Members: ~ 7800
 - Matriarchal Society
 - 8 Clans
 - Territories: Allegany, Cattaraugus, Oil Spring, (Niagara Falls, Buffalo Creek)
 - Residents: Approximately 4100 members on territory



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◆ Background, cont:

- Elected form of Government – *President, Treasurer, Clerk & 16 Councilors (8 Catt, 8 Alleg.)*
- *Execs – 2 Yr Terms, rotated, Council – 4 yr staggered terms*



– Primary Economic Drivers

- ◆ 3 Class III casinos – Niagara Falls, Allegany Territory, and Buffalo Creek
- ◆ Gasoline & Tobacco sales
- ◆ Class II Gaming incl. High Stakes Bingo



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◆ Strategic Energy Planning

- Driven by high energy costs
- Interest in wind development

◆ First Steps Grant (2003-2005)

◆ Visioning Process – Long Term Goals & Objectives

! Energy Sovereignty !

◆ Phase II – Research & Assessment

- *Preliminary Resource & Energy Options Assessments (Renewable & Non-Renewable)*
- *Energy Demand & Costs Analysis, Energy Demand Projections*
- *Preliminary Market Assessment*
- *SWOT Analysis*

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◆ Resource & Energy Options

- **Non-Renewable** – Natural Gas Reserves
- Produced over years by National Fuel Gas Supply Company
- **Renewable Opps** – primary: Wind, BioMass (w/ ethanol pdtn capacity)
 - ◆ Secondary – Solar (PV), GSHP (in use)

Recommended Strategy: Produce Gas reserves for profit & leverage for investment in renewable energy generation

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- ◆ Natural Gas
 - Well Inventory
 - P&A Leaking abandoned wells
 - Assess Future Production Capacity (BIA Mineral Assess)
 - Infrastructure upgrades
 - Business Planning
 - E & P

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- ◆ WIND Assessments
 - NREL Anemometer Loan Program (50m)
Allegany Territory
 - SNI purchase
50m used Tower, data
logger package
Cattaraugus Territory



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Energy Options

◆ Biomass

- *Concept study completed*
- *Generation & Ethanol Pdtn. Feasibility Study Proposed*
- *Favor cellulosic ethanol pdtn. but not yet commercially viable*

◆ Ground Source Heat Pumps

- *Form of geothermal energy*
- *Currently in use at Pre-School & local School Districts*
- *Proposing wider use in new construction*

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Next Steps

◆ Phase III – Development

- With energy development being the primary objective in Phase III of the Seneca's energy planning process, it is imperative to establish a formal organizational structure through which the Strategic energy plan can be implemented
- Define and evaluate issues in the context of organizational & business planning.

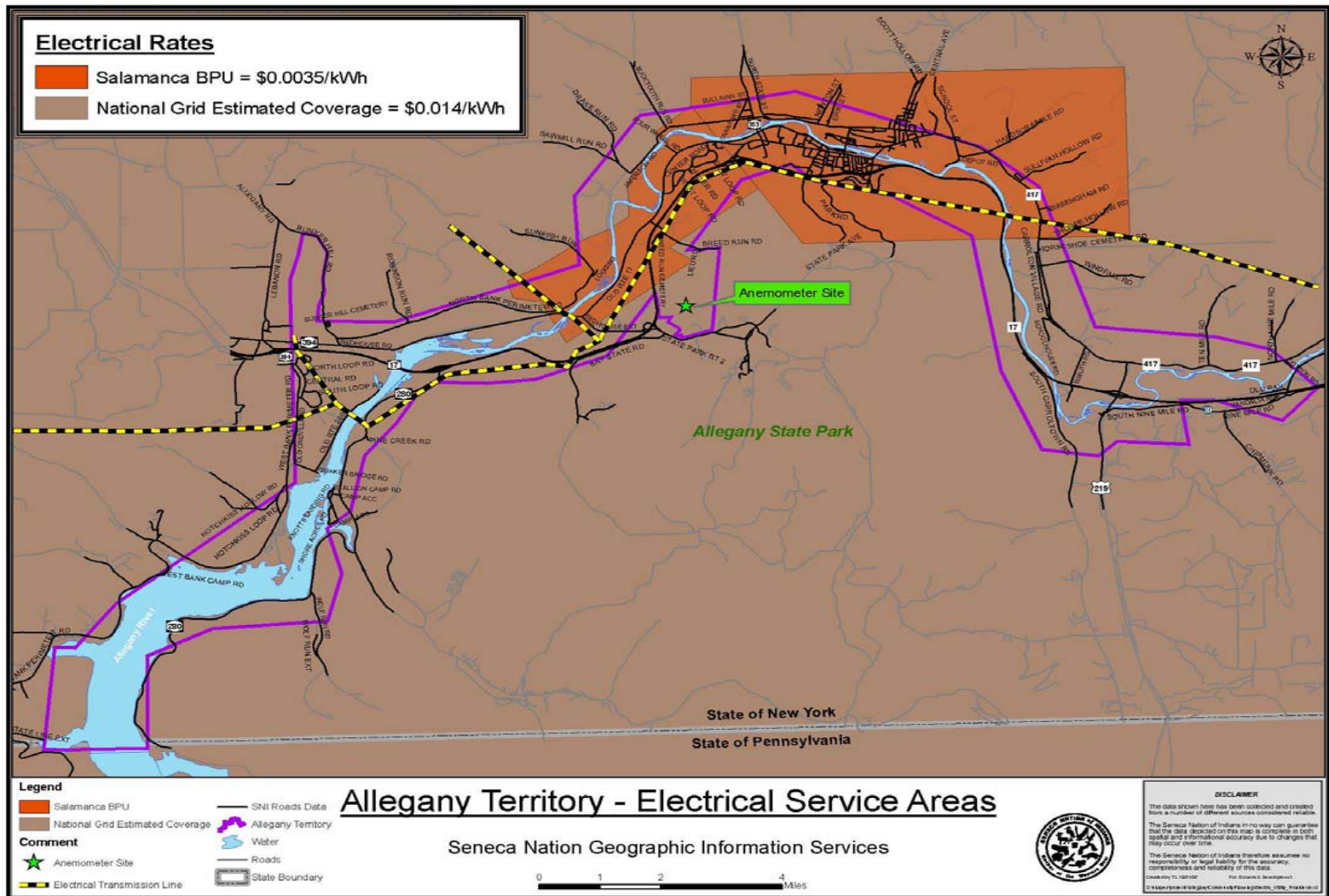
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Energy Organizational Planning

◆ Q 2B A:

- What type of organizational structure will best serve the nation's long term energy vision?
- What is the nation government's role?
- How do we serve the energy needs of the community while generating profits?
- How much investment is the Nation capable of making to the program?
- How much risk does the Nation want to absorb?
- Do we want to own transmission assets?
- What infrastructure improvements/changes need to occur to achieve our energy goals?
- How do we finance this (these) venture(s)?
- How do we achieve both organizational autonomy from AND accountability to the governmental body?
- How do we achieve sustainability?

SENECA NATION Utilities Infrastructure



◆ Allegany Territory

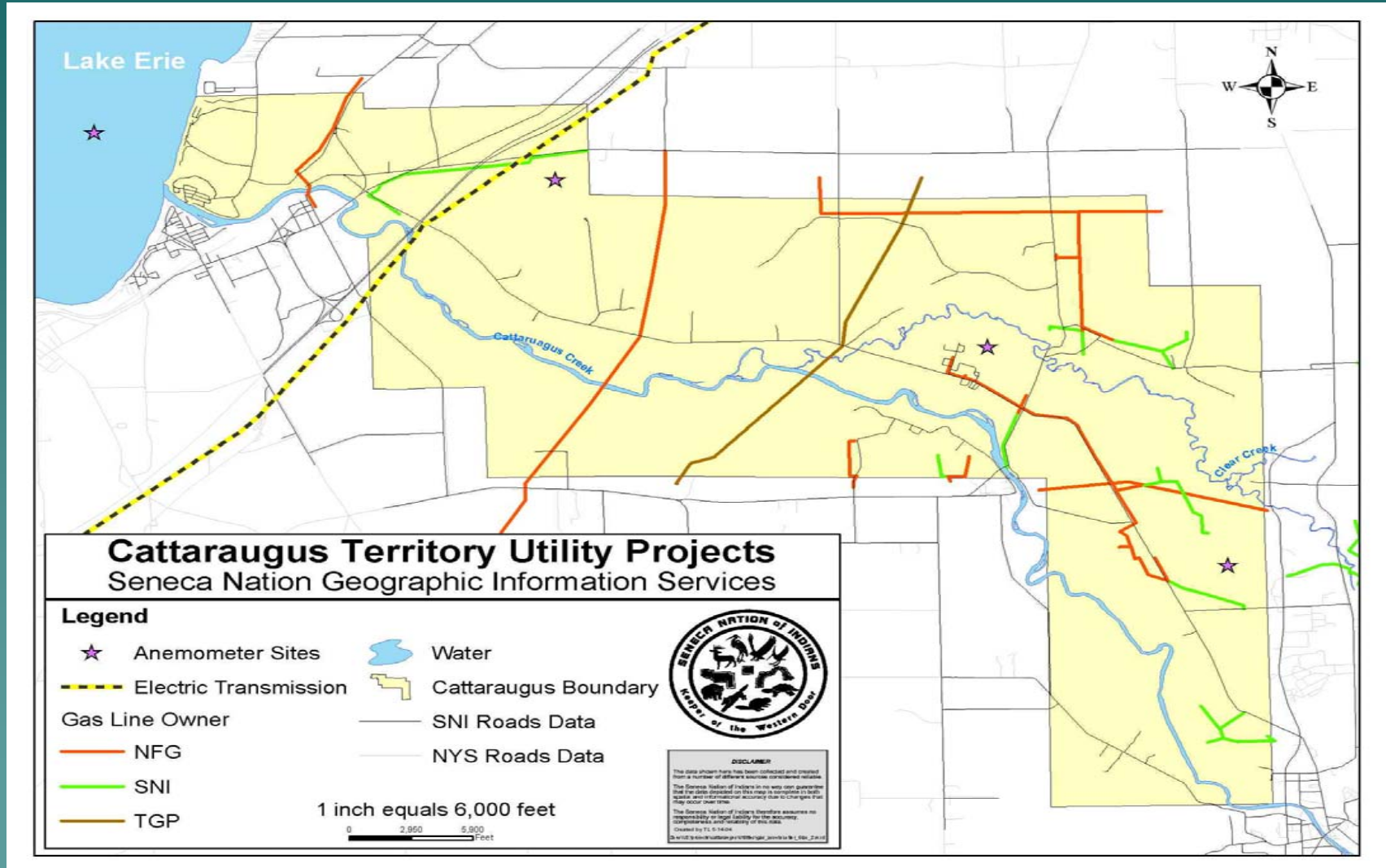
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Energy Organizational Planning

◆ More Q 2B A:

- What regulatory instruments do we need to put into place?
- How can we maximize our relationships with utility providers?
- How can we achieve/provide lower energy costs to our enterprises & community members?
- How can we negotiate for hydro power allocations
- What is the most beneficial/economic use of any energy that we generate?
- What do we need to do to build human capacity & prepare a Seneca energy workforce?
- What is the market for energy that we may produce?
- How do we plan for future growth & expansion of our generation projects?

SENECA NATION Utilities Infrastructure



◆ Cattaraugus Territory

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Energy Organizational Planning

- ◆ Other Relevant Considerations
 - Community demand for rate parity
 - Historic provision of gas to certain customers
 - Salamanca BPU
 - Development Partners for Gas E&P and/or Electric Generation Projects
 - Stakeholder Interests in First Energy Hydro ReLicensing (Kinzua Dam)

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Project Approach

- ◆ Retain Utility Formation consultant(s) with tribal experience
- ◆ Project Review meeting with Nation leadership and SNI's Energy Planning Steering Committee
- ◆ Data compilation & Situational Analysis
- ◆ Stakeholder meetings
- ◆ Strategy Options Review, w/ "if-then" scenarios
- ◆ Develop & Present Decision models
- ◆ Create business model w/ prelim. Cost estimates, partnering options & funding opps.
- ◆ Gain Council approval of initial plan
- ◆ Conduct regulatory & statutory review, draft bylaws, ordinances & provisions for DOJ review
- ◆ Develop comprehensive critical path & business plan
- ◆ Submit for Council approval & adoption

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