



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*

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Location



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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

SENECA
Gaming and Entertainment

SENECA ALLEGANY
CASINO

SENECA ONE STOP

SENECA IROQUOIS
NATIONAL MUSEUM

SENECA NIAGARA
CASINO

Highbanks
CAMPGROUND

Gaming

Casino

Retail

Museum

Casino

Campground

SENECA NATION OF INDIANS

KEEPER OF THE WESTERN DOOR

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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.

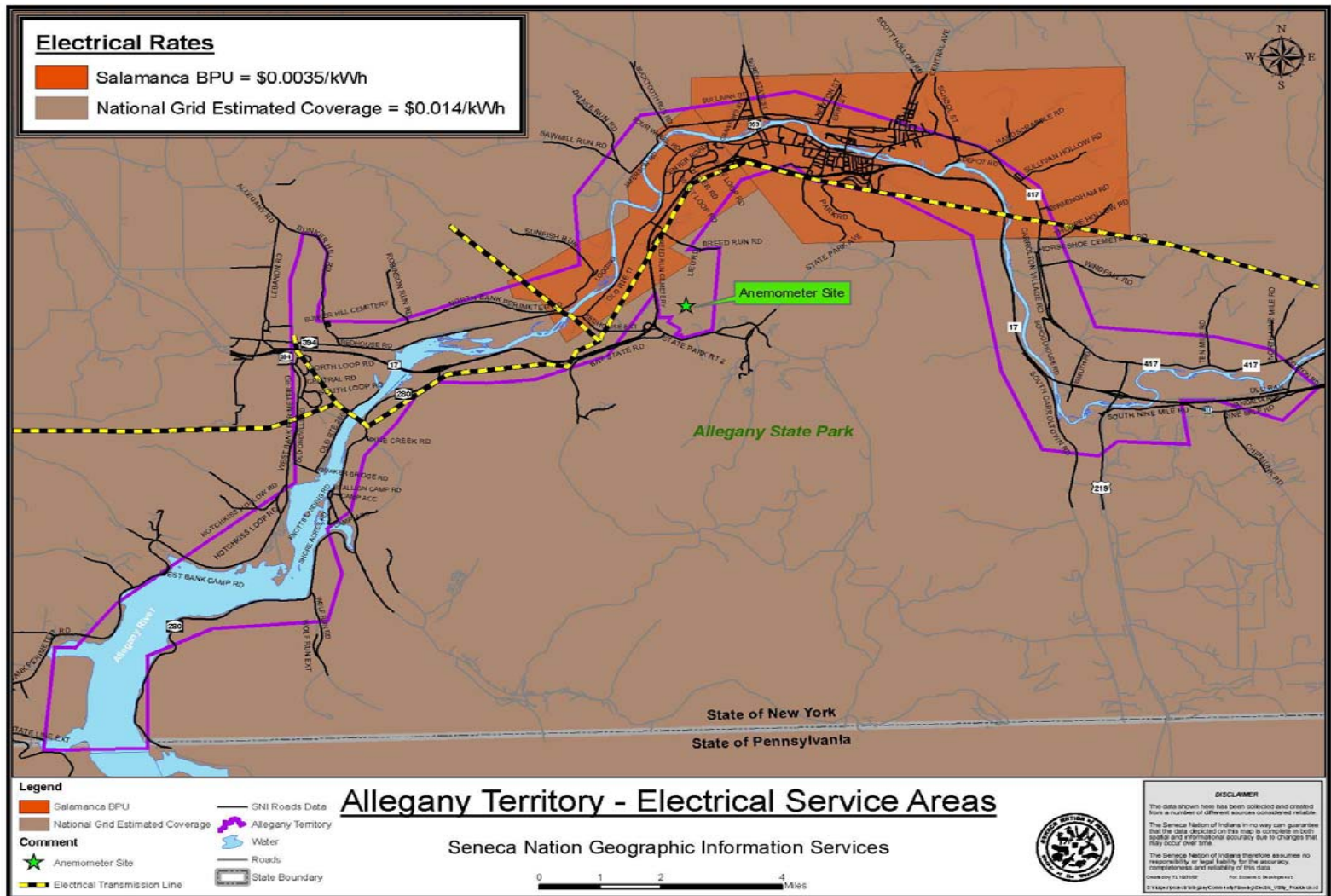
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Energy Organizational Planning

◆ 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?

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◆ Allegany Territory

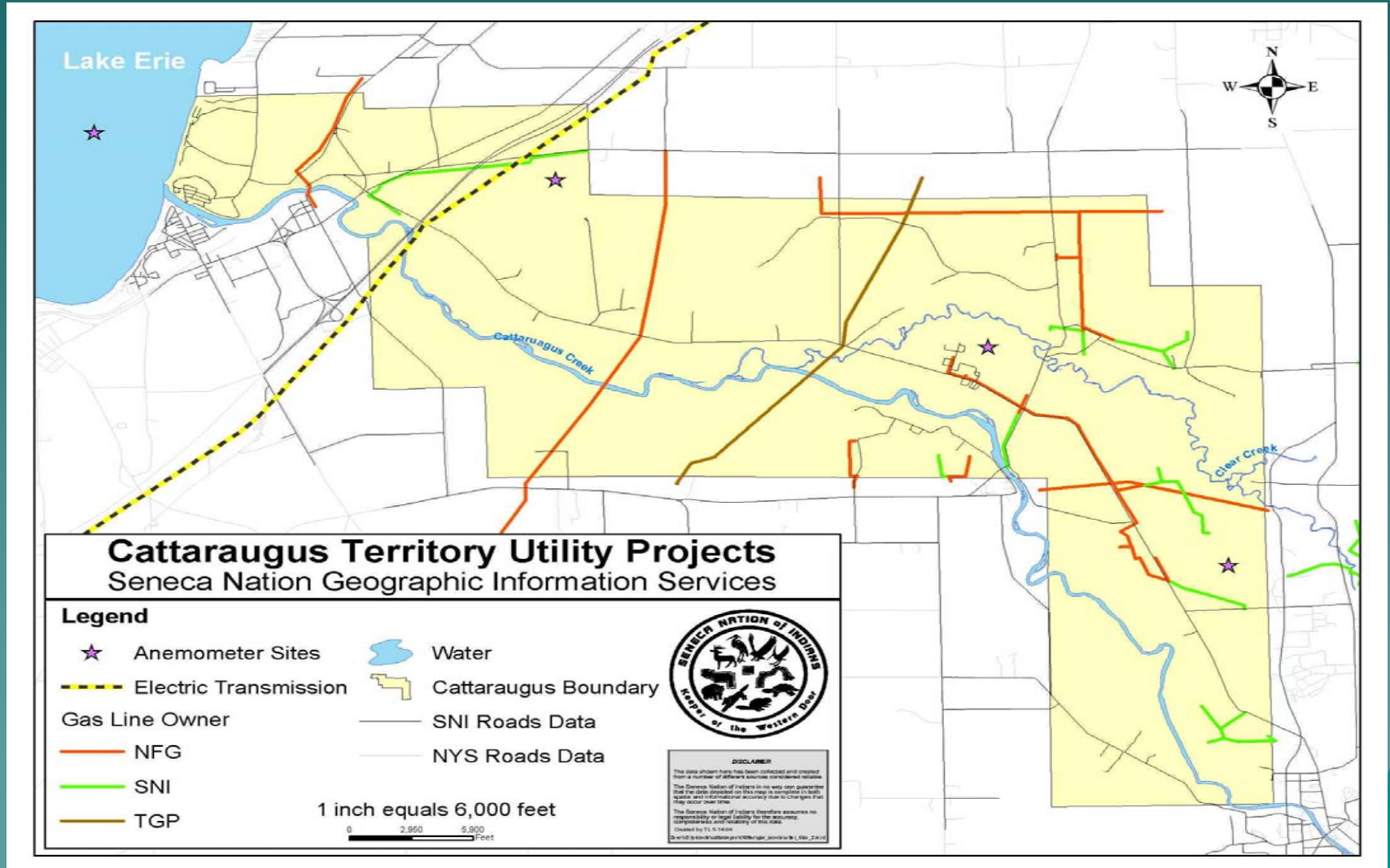
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Energy Organizational Planning

◆ 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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