

SOH Wind Engineering

VEGI Policy Review

Item 6

Changes to the Program to Increase Growth of Small Businesses



About SOH Wind Engineering

- Established in 2011 and located in Williston with a sales office in Malaysia
- Danish owned with a sister firm located in Copenhagen, Denmark
- 11 employees (10 in Vermont and 1 in Malaysia)
 - 8 full-time and 3 part-time
 - 6 engineers, 2 operators, and 3 students
- Operate two wind tunnels in a 22,000 sq. ft. building
- \$1.5 Million to build the tunnels using local and international suppliers



SOH Wind Engineering Business Areas

Anemometer Calibrations



Wind Engineering of Structures



Other Wind Tunnel Tests



SOH Business Strength

- Largest anemometer calibration lab in the world.
- Completed wind engineering projects in the US, Canada, Spain, Denmark, Norway, Romania, Singapore, and Vietnam.
- Currently operate wind tunnels 24 hours per day, 7 days a week.



SOH Initial Estimate for VEGI Incentive

| | New Payroll | Jobs | Investment |
|--------|-------------|------|------------|
| Year 1 | \$100,000 | 1 | \$200,000 |
| Year 2 | \$240,000 | 5 | \$800,000 |
| Year 3 | \$100,000 | 2 | \$100,000 |
| Year 4 | \$60,000 | 1 | \$600,000 |
| Year 5 | \$60,000 | 1 | \$100,000 |



SOH Initial Estimate Versus Actual Result

| | New Payroll | Jobs | Investment |
|------------------------|------------------|-----------|--------------------|
| Year 1 Projected | \$100,000 | 1 | \$200,000 |
| Year 1 Actual | \$86,750 | 1 | \$39,470 |
| Year 2 Projected | \$240,000 | 5 | \$800,000 |
| Year 2 Actual | \$110,620 | 2 | \$989,980 |
| Year 3 Projected | \$100,000 | 2 | \$100,000 |
| Year 3 Actual | \$76,590 | 2 | \$47,040 |
| Year 4 Projected | \$60,000 | 1 | \$600,000 |
| Year 4 Actual | \$43,870 | 1 | \$98,770 |
| Year 5 Projected | \$60,000 | 1 | \$100,000 |
| Year 5 Actual | \$33,400 | 1 | \$39,000 |
| Total Projected | \$560,000 | 10 | \$1,800,000 |
| Total Actual | \$351,000 | 7 | \$1,214,250 |



Why SOH Did Not Meet Targets

- Anemometer calibration volume lower than expected.
 - Delay in the passage of the PTC by congress.
- Tunnel construction and certification took longer to complete.
- Qualified employees difficult to find.



Suggested Changes

- Continue to require a planned salary, headcount, and investment amount when applying for the incentive.
- Allow for adjustments to the forecasted growth on a yearly bases.
 - Only give incentives based on actual growth and investment.
 - Don't continue an all or nothing incentive program.
- Allow flexibility between headcount and payroll.
 - An employee may leave and be replaced with a person in a different job function at a different pay scale.
 - Currently the plan does not incentivize promotion within the company.



Thank you for your time and support.

