

Cape & Vineyard Electric Cooperative Meeting of the Board of Directors

Executive Session Meeting Minutes September 16, 2010

The Board of Directors of the Cape & Vineyard Electric Cooperative entered into Executive Session at 10:02 am on Thursday, September 16, 2010 in Conference Room 11 & 12, Barnstable County Superior Court House Building, 3195 Main Street, Barnstable, Mass. for the purpose of discussing power purchase negotiations and lease of property.

Present were Members: Mark Zielinski, Barnstable County Administrator; Maggie Downey, Clerk; Martin McDonald, Eastham; John Cunningham, Brewster; Kitt Johnson, Edgartown; Paul O'Keefe, Bourne; John Scott, Chatham; John Jannell, Orleans; Steve Gavin, Yarmouth and Ron Collins, Project Manager.

Absent were: George "Bud" Dunham, Sandwich; David Gardner, Provincetown; Heather Harper, Falmouth; Peter Hefler, Dukes County; Charles McLaughlin, President, Barnstable; Michael Richardson, Mashpee; Richard White, Dennis; Barry Worth, Harwich; Peter Cabana, Tisbury.

Karen Loura, Recording Clerk; Joseph Soares, Senior Power Supply Planner, Cape Light Compact; Jeff Bernstein, Esq. and Audrey Eidelman of BCK Law were also present.

Public Present: David Anthony and Richard Elrick

Mass. Military Reservation

Update on proposed PV System. M. Downey reviewed the history of the on base ground-mounted PV Project. She asked if the CVEC Board is interested. The site is a capped landfill. At a meeting with the Environmental Committee, CVEC was given an endorsement on the possibility of working on this project as it is difficult for them to pursue PV on their own or privately. M. Downey said with the Board's authorization she will contact Chief Engineer Robert Blair of the Air National Guard. She has requested a LOI from them for 6 months. O'Keefe asked what it means to the Towns. M. Downey explained SRECS – the MMR study indicated a price of 10.0 cents/kWh wholesale power with no RECS. Either, the possibility as net metered – if not, then wholesale and the question is what is price of the energy and what level are the Towns and Cape Light Compact interested. The estimated price of production is .10 wholesale energy. Discussion followed concerning costs and comparison with wind. M. Downey said the Coop would have to do its own analysis. She sought to determine the level of interest the Coop has in this project and if they would direct her to take the next step.

K. Johnson said he thought it sounded like a "non-starter" where ConEdison would shelter the cost. He said it doesn't seem plausible unless there is an enormous subsidy.

Atty. J. Bernstein said 6 MW electricity for SRECS and the Base has a huge amount of usage. The project potential of “all-in” costs. K. Johnson asked if the Base is going to use power to offset costs. M. Zielinski said the Base is not a member of CVEC. If generating energy @ .09 , they will not be charged .09. The Base would have to pay the premium. He said his concern was almost the opposite. If the price of energy can be reduced, there may be an issue charging Town’s more. J. Bernstein said there is an aggressive solar push right now and if projects qualify in the next 9 months they can be reasonably assured of a 10-year price of 28.5 cents.

Discussion followed. J. Cunningham expressed concern about promoting something that is not economical. M. Zielinski said we may as well get the benefit because we will be paying one way or another. J. Bernstein said these projects are very financeable now. It is a robust market. This type of deal provides huge federal tax incentives which convert to grant funds if contracted by the end of the year. Mass. Military Reservation could be a very good site if it qualifies for Solar RECS. M. Zielinski asked why not treat MMR like RFP for Towns’ landfills.

M. Downey again asked if CVEC wants to continue discussion with MMR or not. She said the next step would be to meet with the Colonel. She wants to ensure that CVEC supports her efforts and that the Board approves of her going forward. P. O’Keefe read an excerpt from the last meeting minutes which would cover the authorization M. Downey seeks. K. Johnson said there is nothing to stop M. Downey from proceeding. He would like additional information as he does not fully understand. J. Bernstein said he could prepare a rough Performa.

Atty. Bernstein then gave a Power Point Presentation entitled PV System Procurement, September 16, 2010. Presentation attached and incorporated herein. There was discussion and review of the status of the Towns. Orleans is definitely interested and wants to participate. J. Bernstein said Orleans participation could be made contingent on Town Meeting Vote. He said the State wants to see as much Solar generation as possible. There was discussion concerning present and proposed Solar REC law. There was discussion concerning pros and cons of projects with net-metering. There was discussion on Capacity Credit and how it is obtained. There was discussion concerning ability and inability of Towns to opt-out. M. Downey said some towns are getting ready to do this on their own and she wants to make sure that they understand. She said one advantage of the Coop is that it raises the level of responsibility. M. Zielinski asked that the phases be made clear. M. Downey said the deadline is October 1st for site information to be gathered for Phase 1 for Barnstable, Mashpee, Chatham and Bourne. She said some towns are ready and others are on line for the June 30th deadline. She said the site perimeters limit sites to no more than 30 acres committed land (5-acre parcel minimum – not 6 sites of 1 acre each). She said the ability to net-meter makes it more appealing. K. Johnson said he’d like to walk through the site and see the numbers today if possible to meet with his Selectmen tomorrow. J. Bernstein said he may have a generic model showing construction costs, and excel depreciation information.

M. Downey indicated she would provide additional documentation and information for K. Johnson at the break. J. Bernstein said there will be an independent analysis ability

for towns; if no action they are excluded or if they want to be excluded due to terms they can be. K. Johnson thought some towns may not bother and that W. Tisbury may want to evaluate the terms. M. Downey said Towns will be prohibited from issuing separate RFP's on the same property.

K. Johnson moved to authorize the CFO to issue an RFP, seconded by M. Zielinski.
Discussion followed. M. Downey asked if the DOER is interested in specific site or just the RFP. A. Eidelman said she believes they are interested as well as any special technical requirements. M. Downey agreed to put together a check list of what is needed. M. Downey and J. Bernstein will get a draft LOI example and a draft for CVEC Members. J. Bernstein said an LOI is needed to obtain an RFP and recommended the Selectmen sign it and assign a proposed site to be approved by Selectmen or @ Town Meeting.

Authorize CVC to enter into RFP and pursue Developer to develop, and contract for a specific site and CVEC to agree to purchase. J. Bernstein said the State amended the default to 30 years for leases and contracts – intergovernmental agreements are for 25-years.

K. Johnson moved to authorize the CPO to issue a RFP, seconded by M. Zielinski.

The Board then voted unanimously in favor to authorize the CPO to issue an RFP.

POWER SUPPLY

There was a discussion regarding Hydro Quebec and Congressman Delahunt's meeting with Quebec's Premier Jean Charest and the President of Hydro Quebec Energy Services (US). Congressman Delahunt is in preliminary discussions with H.Q. regarding interest in selling hydropower to the CVEC. A meeting with the Congressman and his staff is scheduled for Monday, September 20th at 1:00 @ Delahunt's Main Street, Hyannis Office. Any CVEC board member interested in this opportunity is encouraged to attend. HQ has several thousand MW that are available for sale. NSTAR has a new 1200 MW transmission line they are developing with Northeast Utilities to transmit hydropower from Quebec to southern New Hampshire. Mark Forest is also in discussions to see if any municipal light departments have any interest. If CVEC and HQ come to contract, then the wholesale energy can be assigned to ConEdison Solutions to turn it into a retail product. J. Bernstein said an agreement would be very complex. J. Soares said our credit would be an issue for HQ. M. Downey indicated reluctance to say CVEC is not interested because it is very preliminary at this point and no one is sure of the outcome.

At 12:25 K. Johnson moved to adjourn the Executive Session and return to Regular Session, seconded by M. Zielinski and voted by roll call unanimously in favor.

Respectfully submitted,
Karen E. Loura
Administrative Assistant, Pro Tem